

IT'S TIME TO MAKE THE PRECISION DECISION

Because it was good enough yesterday, doesn't mean that it's good enough today. See the full range of new Precision colour-co-ordinated office furniture at your office equipment specialist.

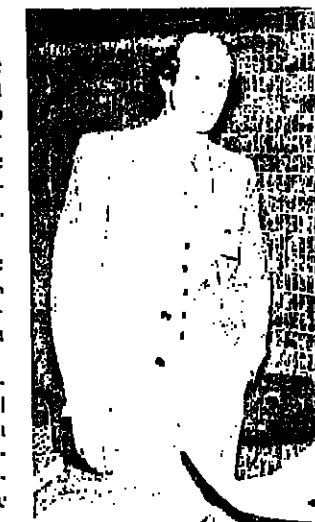


AHI Precision

Made in New Zealand by Precision Engineering Company
CHRISTCHURCH — WELLINGTON — AUCKLAND — SYDNEY — BRISBANE

NATIONAL BUSINESS REVIEW

Fourth Estate lines up viewdata service for business community



Reg Birchfield, comprehensive communications link.

its weekly newspaper, *National Business Review*, and for its annual directors' The New Zealand Business Who's Who.

Birchfield said viewdata was not a threat to privacy. "So

far as we are concerned there is no intention of publishing anything that is not already public information," he said.

"However, the Government will provide guide lines to prevent accessing private and classified information."

"The advantage of viewdata is that information can be distributed more efficiently," he said. A viewdata service will provide information to any part of the country rapidly and without heavy use of energy.

Birchfield said one of the viewdata advantages was that it provided an opportunity for smaller organisations and individuals to become involved in the communications business. Viewdata could decentralise the communications function very nicely, he said.

"Large established publishing or broadcasting organisations may not necessarily monopolise the market of electronic communications industry of the future," he said.

So far as Fourth Estate was concerned, competition in the fledgling viewdata industry was essential. "It is basic to our strategy that no large interest groups should be allowed to control the development of the viewdata market any more than should the Government," Birchfield said.

"We see that it is quite possible to encourage high quality services by dispersing rather than concentrating ownership."

The only other group to express an interest in providing a viewdata service is a consortium of large publishing companies working with a South Island-based computer services operation.

Computer Bureau Limited, Wilson & Horton Limited, Independent Newspaper Limited, The Christchurch Press, Group Rental Limited and Fisher & Taylor Limited are expected to complete by about September.

The best tobacco money can buy



Inside

THE WEEK
The liberalising of the import of plastic yarn the Government is planning to prohibit the manufacture of cheap synthetic carpet from this yarn — Page 3
Arbitration averts strike at National Mutual Insurance — Page 5

COMMENT
Editorial, without word of a lie, looks at what happens when a party goes out of the revolution — Page 9
The company this week revealed that it has been working on the development of a business viewdata service for the past two years. Fourth Estate will operate the service through a new \$50,000 capital company, New Zealand Videotex Systems Limited.

There is no one in New Zealand who has done as much work on the development of a national business viewdata service as we have," Fourth Estate's managing director Reg Birchfield said last week.

POLITICS
Labour MP David Caygill comments that growth and jobs are central to his party's economic strategy — Pages 12 and 13

ECONOMY
Government financial markets skills seem to be no match for hitting budget targets — Page 11
Labour MP David Caygill comments that growth and jobs are central to his party's economic strategy — Pages 12 and 13

O'BRIEN ON BUSINESS
The Fletcher Carter/Holt affair highlights the fact that "acceptable" commercial practices have evolved slowly in a "most closely knit financial community" — Pages 14, 15 and 16

THE LAW
Judge blocks public's view of justice being done

LOCAL GOVERNMENT
Women catch up on the mechanics of running a campaign to getting on to local bodies — Page 18

ADMARK
The television restructuring to and all restructuring is not what the BCNZ cracked it up to be — Page 19

PROFILE
RIAC Ltd beams ahead in the international nuclear research scene — Pages 21 and 22

OVERSEAS TRADE
Ago-mission touches down in South America, offering skills and products — Page 22

BOOKS
The first local literary agency survives birth pangs — Page 23

ENERGY
The dream of a source of cheap, inexhaustible, clean and self-replenishing energy might be about to come true — Page 26

TRANSPORT
Grandiose port schemes may be at the wrong end of the scale for coal exporting — Page 27

COMPUTERS
Aviation technicians' strike sets the scene for the introduction of "new technology" — Page 28

OFFICE EQUIPMENT
The tool that fired the text of Muldoon's stumping — Page 29

SPECIAL FEATURE
OIG opens the escape route of a ship and a chance of reaching economic salvation — Pages 30 and 31

MANUFACTURING
Trade and industry pulls the plug on a potential video cassette recorder boom — Page 32

Fourth Estate Holdings Limited has registered a new company to promote a business viewdata service in New Zealand.

The company this week revealed that it has been working on the development of a business viewdata service for the past two years. Fourth Estate will operate the service through a new \$50,000 capital company, New Zealand Videotex Systems Limited.

There is no one in New Zealand who has done as much work on the development of a national business viewdata service as we have," Fourth Estate's managing director Reg Birchfield said last week.

The future of viewdata services in New Zealand is presently in the hands of the Cabinet Communications Committee which is studying a report handed in earlier this month by the Communications Advisory Council.

According to the confidential newsletter, *Trans Pictum*, Prime Minister Rob Muldoon is "taking a keen interest in proposals to introduce viewdata systems to New Zealand and has indicated he wants to be present when the Cabinet committee discusses the recent report presented by the Communications Advisory Council."

In discussing Fourth Estate's viewdata service, Birchfield said that only the business market would be interested in viewdata for the next three to five years.

"As far as we are concerned, the emphasis should be on quality and depth of information rather than on providing a superficial and general coverage," he said.

"Our proposal will, in the short term, require a minimum of Post Office financial and personnel commitment, and should avoid any overloading of present facilities."

Birchfield said there were no basic differences in the relationship required between the Post Office and computers than already existed, but it was obvious that the Government had been asked by the Post

Office to approve the viewdata concept in principle.

Fourth Estate's service would not require significant amounts of overseas funds to establish. Also, the company was not committed to large royalty repayments to overseas software suppliers, Birchfield said.

"In fact, adoption of the right policies could allow this country to develop some export trade from a viewdata operation."

"But as far as we are concerned, one of the most useful developments of our viewdata service would be the establishment of a national communications network for the Stock Exchange."

"We feel that our system could provide a comprehensive and inexpensive communications link between the various stock exchanges, brokers and the business community," he said.

Birchfield pointed out that a business viewdata service would improve the efficiency of many companies.

"People talk about employees being displaced, we don't see that," he said. "Quite the contrary. We see viewdata assisting companies to be more efficient and therefore providing more job opportunities."

Fourth Estate is in a position to offer a national viewdata service within a short period of the Government giving the go ahead. (The Government's approval of the viewdata concept is necessary before the Post Office will type-approve the equipment needed to offer a viewdata service.)

"We know of no one else in the market who could offer a service this side of Christmas," he said.

"Many large companies have already approached us and expressed an interest in being involved in providing information to a viewdata service or subscribing to one as soon as it is available," he said.

Fourth Estate already has a large database of public information which it gathers for

Pig farmers squeal

STRENGTHENING prices in the Waikato saved pig farmers' bacon last week as the Government bucked down on a promise to support the Pork Marketing Board's price stabilisation scheme.

The board wanted \$1 million to buy unwanted pigs but the Government only offered to guarantee a \$500,000 loan from the Bank of New Zealand.

Since March 10 the board has spent its reserves of \$1.25 million propping up the schedule price, first at 135c a kilogram and later at 135c.

out and farmers in Marlborough were left with pigs they could not sell.

The problem started last year, when processors got their Christmas forecasts wrong. Pigs were in short supply and the price was rising. In Canada the reverse was true.

Sensing a shortage of Christmas hams, the processors went on a buying spree ordering, according to the Statistics Department, \$6 million worth from Canada and smaller amounts from Australia and Ireland.

Continued on Page 3

NZ delays games decision

PRESSURE is mounting for Olympic committees to boycott the Moscow games with the withdrawal of West Germany and the deadline for entry fast approaching. So far only two major Western nations have opted out. The Netherlands, Italy, Ireland, Belgium, Austria, and Sweden will send teams. The New Zealand Olympic and Commonwealth Games Association delayed a final decision until Thursday.

TWO Australian television channels have decided to screen the controversial film *Death of a Princess* despite Government disapproval. Television One has yet to make a decision.

CHINA wants a joint-venture pulp and paper mill in New Zealand using 200,000 tonnes of timber a year. But the Forest Service is doubtful if there is that much surplus forest available. The deal could be worth \$200 million.

SINCE Saudi Arabia put up the price of its oil by \$US2 a

barrel two weeks ago Indonesia, Libya, Algeria, Iraq, Kuwait, Venezuela, and the United Arab Emirates have followed. The increase has taken the average posted price of OPEC oil to \$US31.50 a barrel (\$US25.50 last December and about \$US13 in January 1979).

An International Energy Agency report suggests higher prices are likely as Opec cuts production and the Communist bloc, now supplied by Russia, becomes a net importer.

CHINA test-fired its first and second long-range intercontinental ballistic missiles into the central Pacific Ocean. The missiles were unarmed.

SOVIET leader Leonid Brezhnev and French President Valéry Giscard d'Estaing met at a hastily convened summit in Warsaw. Differences over the Russian intervention in Afghanistan were unresolved.

RADIO New Zealand made its highest profit for 20 years, understood to be in excess of \$500,000 in the 1979-80 financial year after suffering losses of \$2.8 million in 1975-76 and \$1 million in 1976-77.

THE Meat Producers Board is to open a representative office in Saudi Arabia.

THE Farm Workers' Association, threatened by apathy, was saved by 1300 new members: it has paid all its bills and has about \$4000 invested.

A NEW high-capacity trans-Pacific cable is to replace the present Commonwealth and Pacific (Comcap) cable, which reaches the end of its design life in 1983. New Zealand will pay \$40 million of the expected \$300 million cost. The new cable, to be known as Anzac, will link with Australia-Norfolk Island, Fiji, Hawaii and Canada.

TWO men are facing criminal charges in the Wellington High Court. The trial is subject to an interim suppression order barring publication of the proceedings and all details of the case.

MAORIS will be compensated for land confiscated after the battle of Gate Pa Tauranga in 1864. About 3.2 million acres of Maori land were confiscated, and about 1.3 million acres later purchased or returned.

INDUSTRIAL disputes in 1979 totalled 516, the second highest since World War II. And workers lost a record \$12,621,300 in wages. There were 562 stoppages in 1977.

UNEMPLOYMENT figures jumped 791 from April 18 to a total of 28,801 on May 2. On April 18, another 19,391 were on the temporary employment scheme payroll.

AIR New Zealand is introducing \$199 and \$299 round-New Zealand airfares for overseas visitors similar to those now offered by United States airlines. At the same time airfares to the United States are being raised 8 per cent and those to Britain 17 per cent.

COMMITTAL proceedings in the "Mr Asia" drugs murder trial began in Chorley, England. Three New Zealanders are among the 12 charged.

The business week

Mosgel Ltd lost at least \$4 million in the 10 months to April 30, the receivers report.

ed to debenture stockholders last week. The probability of continuing losses "will clearly make it difficult for the company to continue to trade", receivers Messrs Anderson and Tomkins said.

Debenture stockholders are expected to meet early this week in Wellington to discuss the position. In the meantime, the receivers said, the Government was being kept fully informed.

ANZ Banking Group (New Zealand) Ltd reported a consolidated operating profit of \$65,872,000 for the half-year to March 31, an increase of 32.4 per cent. An interim dividend of 12c is payable on July 4.

Autocraft Holdings Ltd reported a net tax-paid profit of \$1,215,000 for the year to February 29 (\$287,000 last year). A final dividend of 11c is payable on June 27.

Christchurch Gas, Coal and Coke Co Ltd reported an audited tax-paid profit of \$345,948 for the year to March 31 (\$201,215 last year). A final dividend of 10c is payable on July 15.

The Christchurch Press Company Ltd reported a net tax-paid profit of \$609,420 for 1980 (\$379,313 last year). A final dividend of 7.5 per cent is payable on June 26.

Dingwall and Paulger Ltd appointed M J Andrew as managing-director.

Firestone NZ Ltd reported an unaudited tax-paid profit for the half-year to April 30 of \$1,599,062 (\$1,468,655 last year). An interim dividend of 7c is payable on August 22.

Grosvenor Properties Ltd reported an unaudited tax-paid profit of \$311,083 for the year to March 31 (\$604,667 last year). A dividend of 4c is payable on August 11.

Healing Industries Ltd reported an unaudited tax-paid profit of \$3,097,777 for the year to March 31 (\$1,077,000 last year). A final dividend of 5.74c is recommended.

Independent Newspapers Ltd reported an audited tax-paid profit of \$2,596,773 for the year to March 31 (\$1,404,570 last year). A final dividend of 8c is payable on July 23.

Motor Holdings Ltd reported an unaudited tax-paid profit of \$2,919,654 for the year to March 31 (\$1,211,100 last year). A final dividend of 10 per cent is recommended.

Progressive Enterprises Ltd reported an audited tax-paid profit of \$3,204,000 for the year to March 31 (\$2,515,000 last year). A final dividend of 6.5 per cent is payable on August 15.

Regina Confections Ltd reported an unaudited tax-paid profit of \$73,468 for the year to March 31 (\$52,659 last year). A final dividend of 6 per cent is payable on August 31.

Tasman Pulp and Paper Company Ltd reported an unaudited consolidated net profit of \$27.7 million for the year to March 31 (\$7.2 million last year). A final dividend of 6c is payable on August 1.

Taylor's Drycleaning and Laundry Services Ltd reported an unaudited group tax-paid profit of \$163,000 for the year to March 31 (\$167,000 last year). A final ordinary dividend of 8 per cent is payable on August 19.

Teltherm Industries reported an unaudited tax-paid profit of \$479,833 for the year to March 31 (\$350,000 last year). A final dividend of 9 per cent is payable on July 28.

Welgus Holdings Ltd reported an audited profit of \$40,000 for the 15 months to March 31 (\$A12,167,000 last year). A final dividend of 7.5c is payable on June 18.

Australian Consolidated Industries Ltd reported an audited tax-paid profit of \$A14,924,000 for the year to March 31 (\$A12,167,000 last year). A final dividend of 7.5c is payable on August 29.

The week ahead

Monday: NZ Refining Co. annual general meeting, Wellington.

Final day of the Zealand Radio, TV and Electrical Retailers Association conference in Rotorua.

Tuesday: Catchment & National conference in Palmerston North.

Wednesday: NZ Society of Farm Managers seminar in Napier.

Massey University Farmers meeting at a (near Feilding).

Friday: NZ Institute of Quantity Surveyors conference in Rotorua.

Exchange Rates

As at May 22 1980 NZ\$100 =

Australia 1.0

Britain 1.0

Canada 1.0

Fiji 1.0

Japan 1.0

West Germany 1.0

United States 1.0

Austria 1.0

Belgium 1.0

China 1.0

Denmark 1.0

France 1.0

Greece 1.0

Hong Kong 1.0

India 1.0

Italy 1.0

Malaysia 1.0

Netherlands 1.0

New Caledonia & Tahiti 1.0

Norway 1.0

Pakistan 1.0

Papua-New Guinea 1.0

Portugal 1.0

Singapore 1.0

South Africa 1.0

Spain 1.0

Sri Lanka 1.0

Sweden 1.0

Switzerland 1.0

Western Samoa 1.0

INDUSTRY CO-OPERATION PROVIDES SALARIES AND FRINGE BENEFIT MONITOR

Over 550 New Zealand companies now pool their salary and fringe benefit information twice each year to provide mutual information on latest trends in salary patterns and fringe benefits. The salary and fringe benefit monitor provides data on salaries, fringe benefits, and job positions across a wide range of industries.

Also included are studies of such topical subjects as the impact of the new Zealand company tax and executive turnover, and a guide to the various planning guides to salary and fringe benefits.

Further information survey is on Page 4 of this

Synthetics give carpet makers woolly problem

by Warren Berryman

AFTER liberalising import restrictions on synthetic yarn, the recommendation of the Industries Commission, Government has threatened to prohibit the manufacture of cheap synthetic carpet from this yarn.

Nylon will be taken off import licence from July 1. A gentleman's agreement exists between carpet manufacturers not to make synthetic carpet here, and there is an industry agreement with the Australians (our biggest carpet buyers) not to export synthetic carpet.

From July 1 it would be, theoretically, possible for any carpet manufacturer to start making nylon carpet. One - Stevens Bremner - is not a member of the Manufacturers' Association and not bound by the gentleman's agreement.

Stevens Bremner has \$6 million tied up in a Millitron dyeing machine. Designed to dye synthetic carpet, the Millitron is dyeing wool carpet. The enormous production

capacity of this machine has never been fully utilised. Stevens Bremner would like to make synthetic carpet - and boost the Millitron's throughput if Government would let it.

The Wool Board, which sells 80 per cent of its local wool to the carpet industry, is very concerned about local production of synthetic carpets.

Carpet manufacturers have received a letter from Trade and Industry Minister Lance Adams-Schneider saying that the decision to liberalise imports of nylon yarn was intended to stimulate apparel manufacturers by reducing their raw material costs and not to promote synthetic carpets.

"I can assure you we are prepared to take whatever steps necessary to prevent New Zealand manufacturers commencing production of synthetic carpets," he said.

With the exception of Stevens Bremner, no manufacturer wants to make synthetic carpet. Manufacturers said that if anyone started making synthetic car-

pet they would be forced to follow suit. The prime consideration is the growing cost-consciousness of the local consumer. Wool yarn costs about \$3.80 a kilo, nylon costs \$2.80. Overseas, where consumers have a choice, well designed wool carpets slot into the top end of the luxury market. Synthetic carpets, of varying quality, fill the lower rungs.

Local manufacturers are making mass-market carpet from an expensive raw material - wool. While a well-styled, well made, wool carpet has few peers, a wool carpet made for the cost conscious consumer is akin to junk jewellery made from pure gold.

If consumers were allowed synthetic carpet here, they could be bought for as little as half the price of a wool carpet. Carpet industry sources claim the introduction of synthetics would be a disaster for the local industry. The scenarios portrayed by various manufacturers have two common points:

• If synthetics were introduced the bulk of the local market would turn to them for price considerations alone.

• This country could not hope to compete in the world market of synthetic carpet. Over supply and slack capacity in Canada and the United States led these countries to dump carpet at prices local manufacturers would be hard pressed to match.

If our carpet manufacturers turned some of their efforts towards manufacturing synthetic carpet for the local market they could concentrate on styling wool carpet for the export market. It is in high quality wool carpet, made from indigenous resources, that New Zealand manufacturers have the marketing edge.

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick. Not only is there the question of consumer interests versus the powerful Manufacturers' Federation but the Development Finance Corporation has its millions at stake as the backer of Stevens Bremner's Millitron.

The question now posed is, how does Adams-Schneider propose to placate the interest groups with controls while maintaining the ostensible drive to the "more market" economy desired by backbenchers and National Party stalwarts?

Any comment from the

carpet industry is likely to be tinged with feelings dating back to the Millitron affair which no one has forgotten.

Stevens Bremner is ready to go ahead with synthetic carpet, given Government approval.

There is little doubt the low-income consumer would benefit from cheaper carpet if approval were given.

Government is in a cleft stick.

The Week

Insurance industry strike averted by arbitration

WHEN National Mutual and Commercial Union decided to merge — shifting National Mutual's fire and general side to CU, and CU's life officers to National Mutual's — they published a glossy brochure titled *Partners in Progress*.

But one minor partner, National Mutual's fire and general staff, refused to be shifted which nearly precipitated the first-ever strike by the Insurance Workers' Union.

Management and union will sit down to "meaningful" talks before an independent chairman in Wellington today.

Commercial Union had a fire and general operation in New Zealand with about \$28 million a year in premium income and a life fund worth an estimated \$150 million.

Combined with National Mutual's \$350 million life fund, this puts National Mutual in the big league of \$500 million plus, alongside the AUP and ahead of Government Life.

National Mutual's fire and general employees were offered equal pay and gratings on their shift to CU's fire and general offices.

But management forgot one factor: prestige. Working for National Mutual, the employees were big fish in a small New Zealand puddle. Working for CU they were cogs in a foreign-owned company.

As the two insurance giants continued to sort out final details of the merger, the staff started talking strike and the union was brought in.

The point made by National Mutual fire and general staff was that when they moved over to CU their employment contract with National Mutual was terminated.

Workers, they maintained, could not just be shifted like chattels from one company to another.

If their employment was terminated, they argued, National Mutual would have to pay them redundancy pay.

But National Mutual offered all employees jobs at equal pay at CU. So no National Mutual employee need be redundant.

But it was argued there was still a question of a compensation for loss of status.

In the end the employees argued that any employee not

wishing to work for CU should be allowed to declare themselves redundant.

All this started brewing some weeks ago.

First the staff wanted to hold a union meeting in National Mutual's offices — National Mutual refused.

Staff and union, then

threatened to hold the meeting in the plaza in front of the offices — and call in the press, TV and radio to cover it.

National Mutual backed down and allowed the meeting to take place in the building. Union and management agreed that no one would talk to the media.

By that time Radio New Zealand was on to the story, asking questions of union and management. Union and management were left looking accusingly at each other wondering who broke faith and split the beans. Management began to modify its previous attitude to the staff.

By that stage the union wanted the matter to go to arbitration but management refused and started hinting at suspensions or sackings.

Two weeks ago the staff were told if they did not make the move to CU's offices the following Monday as directed they would be sacked.

The union decided it was time to break the ban on talking to the media and opened up to reporters. The union planned a series of paid ads for the press publicising its members' situation, but they were not put into effect.

Management began to soften its line.

Monday morning came and the staff turned up at National Mutual's offices — not at CU's offices as directed.

An hour-long, well publicised sit-in was staged in the fire and general office. Then the staff moved on to their new offices at CU.

Management had already agreed to enter into discussions before an independent chairman.

Each of the fire and general employees received a letter from management stating that although they might work at CU's office, they were still employed by National Mutual.

Management also withdrew the threat of sacking or suspension.

IBS investors won't recoup much — receivers

TOTAL indebtedness of the Palmerston North-based Land and Building Systems Ltd group of companies was \$6.6 million in August last year, when the companies were placed in statutory receivership.

A report from the statutory receivers and managers, Wellington accountants Bill Cowan and Denis Griffin, shows that \$2.7 million was owed under mortgages, \$600,000 to the participants in contributory mortgages, \$2.4 million in debentures, \$500,000 in unsecured advances and \$400,000 to unsecured creditors.

The Land and Building Systems group was formed to develop and sell land. The secondary object was the development and promotion of a building system "known as IBS incorporating a process called Ribsel".

Cowan and Griffin say the group's financial predicament appeared to relate to the deterioration in the local property market, a severe lack of capital and "the effect of expending huge sums on development expenditure from which there has been virtually no return".

"Since much of the property

was purchased, property values have remained static or depreciated while land development costs have skyrocketed," the report says.

"The situation in the property market has not improved during the period of receivership".

The report suggests there is little chance of investors recouping much of their outlay.

The receivers intend holding discussions with mortgagees shortly, with the object of being able to deal with the land.

"However, it must be said that there is little prospect of many of the mortgages receiving payment in full and there are indications that heavy losses are probable," the report says.

"As some of the areas secured by the mortgages involve complex legal and survey problems, it could be years before purchasers could be found for them".

The prospects of a payment to contributory mortgagees under contributory mortgages, will depend on the realisations of the land and the particular mortgage in which the contributory was involved.

"Indications are that most

contributory will suffer a loss," the report says.

The position of debenture-holders, persons who made unsecured creditors is summed up when the receivers say the prospects of receiving repayment of investment or payment of other debt "is nil or, at best, only a token amount", although some unsecured creditors may be able to obtain some recovery by placing a lien or charge on land.

Cowan and Griffin say they investigated various options, but the only acceptable course is to dispose of the land in its present state.

"This will be done by either abandoning the mortgaged land to the mortgagees or disposing of it by arrangement with the mortgagees or charge holders. The proceeds from the sale of unmortgaged land will be applied towards the costs of the receivership," the report says.

The group has three areas of land in Palmerston North, two in Waikanae near Wellington, and one in Ashburton, outside Palmerston North.

The properties have a book value of more than \$3 million, including amounts which have been written up on revaluation, but are subject to mortgages of about \$3.3 million as at last August.

There are also prior charges for unpaid rates.

Interest is accruing on the mortgages, while the rates (which take priority over the mortgages) are accruing as a charge on the land.

Land tax may possibly be accruing in the same way.

A panel of experienced registered public valuers indicated that in their opinion the areas of land, other than one or two areas of little significance overall, are unlikely to be realised for the amount of the mortgages and the fixed charges.

The group spent more than \$2 million on development expenditure on the IBS building system. The cost was financed by borrowing heavily against the security of land "which was, in fact, the group's only tangible asset".

The receivers think the development expenditure on IBS may have been "on the basis of producing a return".

They will continue their attempts to obtain some recovery from this source.

front axle helps Land Cruiser through sand, mud and any other hazard. And the same dual-line brakes that are so safe off-road are double protection on the tarmac.

Specialty designed seats let the driver's shoulders and torso move freely while the hips are held firm and snug. This is best for rough going. But that same comfort comes through on the highway too... comfort augmented by thorough ventilation that eliminates stale air.

When you're out in the wilderness, you need a partner that is an all heart... Land Cruiser is. It will take any road. And when there's no road, it makes its own. Toyota engineering made it that way.

THINK IT OVER.

TOYOTA

You don't close your eyes when you drive a car... so why should you when you buy one?

TOYOTA LAND CRUISER.

When there's no road, it makes its own.



ENGINE: Type 6C4 4-cyl. 2400cc. Bore x Stroke: 94 x 101 mm. Displacement: 4200cc. Compression ratio: 22.7:1. Max. horsepower: 145 (at 5200 rpm) 125 (at 4000 rpm). Max. torque: 24.5 kgm (at 2400 rpm). Max. speed: 120 km/h (at 5200 rpm). Fuel consumption: 12.5 km/l (at 90 km/h). Dimensions: Overall length: 4600 mm. Overall width: 1800 mm. Overall height: 2000 mm. Track: 1410 mm (front) 1400 mm (rear). Wheelbase: 2800 mm. Ground clearance: 220 mm. Max. load capacity: 1000 kg. Max. towing capacity: 3500 kg. Max. load capacity: 1000 kg. Max. towing capacity: 3500 kg.



NAME _____
TITLE _____
COMPANY NAME _____
COMPANY ADDRESS _____

P.A. Greenwood Services
P.O. Box 412, Auckland Ph. 371
P.O. Box 11-66, Wellington Ph. 33-33

Editorial

EEC officials in Brussels last week produced a compromise draft proposal on the vexed question of sheepmeats which looked like bad news for New Zealand. If implemented, it would disrupt our markets, encourage EEC stockpiling and dumping, raise price levels and foster consumer resistance. But for some time the EEC's Agricultural Council and heads of government have appeared to be generally agreed on a heavy regime. Only Britain remains strongly opposed to that proposed method of regulation.

Whatever regime is imposed must have Britain's blessing (and the compromise proposal, as reported back to New Zealand, are unlikely to find favour with the Thatcher Government). More fundamentally, our EEC markets are protected by GATT. Our lamb continues to be imported by Britain with a 20 per cent levy as a consequence of the GATT negotiations concluded in the early 1970s.

The threat of a sheepmeats regime has had our freezing industry nervous since the EEC commission submitted a proposal for the regulation of the sheepmeat sector to the Council of Ministers in April 1978. The EEC is only 65 per cent self-sufficient in sheepmeats. And in his constant visits to EEC capitals, Foreign Affairs and Trade Minister Brian Talboys has emphasised that there is no need for a regulation, and that this country would prefer that no regulation is introduced. If a regulation must be introduced, we hope it will be a light one that does not damage our trading interests.

We are totally opposed to a "heavy" regime, similar to the beef one, which allows intervention buying and other support measures that push up prices and reduce demand.

But in exchange for a reduction in the GATT tariff — say to 10 per cent — we are prepared to voluntarily restrict supplies to 200,000 tons to Britain and 30,000 tons to the other EEC countries. Transport Minister Colin McLachlan (in a speech to have been delivered by Talboys) spelled out our policy: "We will continue to oppose such measures and we will continue to stress that if New Zealand is to engage in discussions on a voluntary restraint arrangement as part of a sheepmeat regulation, our broad objectives in the negotiations will be to ensure our existing trade by quantity and product range and to improve the returns from that trade to the greatest possible extent through reduction of the 20 per cent tariff."

That idea has found favour with the European Commissioner for Agriculture, Pinn Gundelach, who appreciates that the tariff of 20 per cent is not unilaterally action on it.

But the proposals being considered by the EEC have provided not only for intervention buying and storage of stocks, but also export restrictions, suggesting the prospect of subsidised sales of community stocks of sheepmeat on third markets. The effect of that being implemented would be shattering to our continued efforts to diversify our markets.

New Zealand is the biggest exporter of sheepmeat in the world, and outlets must be found for our increasing production. New Zealand sheep numbers — now about 65 million — are expected to increase to almost 70 million by the end of the decade. Almost 25 million lambs were slaughtered for export last year, a figure

expected to increase to 29.5 million by 1985.

Keeping present markets and finding new ones is vital for an economy which is heavily reliant on sheepmeat, bone-in production of which in 1978-79 was more than 500,000 tonnes valued at \$550 million. Sheepmeat contributes almost 50 per cent of our total meat production. Lamb and mutton earned \$628 million in 1979, almost 60 per cent of our meat export receipts (and meat earned 38 per cent of our overseas exchange earnings). Add the wool clip and the sheep industry contributed 40 per cent to the total value of our exports last year.

Diversification over the last 20 years has seen a steady decline in our reliance on the British market. But 68 per cent of our lamb and 9 per cent of our mutton exports went to EEC in 1978-79 — the great bulk of it to Britain. Britain is important to the industry for other reasons: British price levels remain the basis for our lamb prices in other markets.

New Zealand is the major third-country supplier to the EEC, which has been recognised as a market with good potential. (Britain excepted, it took 20,000 tonnes of our lamb last year despite the various quota and other restrictions which apply in several members states).

Clearly, then, the sheepmeats question has vital implications of our economic well-being. And we can be excused this time for holding tightly to Mother Britain's apron-strings.

Britain is sticking firmly to its position: there should be no heavy sheepmeats regime. It will agree to only a light regime with minimal EEC funding. Britain will accept the concept of

private storage, so that when prices drop below minimum price, stocks are withdrawn from the market by the trade and stored at the trader's expense (similar to the EEC's port regime, which means only a small cost against the EEC budget). But before all else, Britain is intent on settling what it regards as unreasonably high payments to EEC farmers. After that, it wants the sheepmeat, fish and farm price review issues to be negotiated separately.

The French insist that all these matters must be dealt with as a package.

On the sheepmeats question, France was the full Community Agricultural Policy support scheme. The Germans and Italians are at the forefront of efforts to reach a compromise.

While Britain and France refuse to budge, the issue is deadlocked. The matter will again be thrashed out at the Vienna Summit in June next.

So long as Britain remains firm there is a crisis for New Zealand. And it is to be seen British intransigence that the Muldoon Government bought Rolls-Royce engines for new Boeings rather than American General Electric Engines.

Central to the British position is its hostility to the Community Agricultural Policy, the system which encourages surpluses and outwards consumer prices. Her avowed to reform CAP as a prime factor in Margaret Thatcher's election. And there can be no sheepmeats regime without Britain's acceptance. Thus those Rolls-Royce engines, we will be hoping, will prove to be a bargain in more ways than their capacity to launch Air New Zealand to more efficient flights.

Bob Edlin

Wherever did that fundamental free speech go?

by Bob Edlin

If you can't attack an argument, attack the man, they say.

That advice is being increasingly taken in Government circles while grand notions about freedom of speech — fundamental to civil liberties in the ideal democracy — take a back seat.

Rather than counter the claims by Labour's Otago candidate, Fred Gerbic, that the Government's industrial relations policies are a joke, Jim Bolger cautioned his critics about his future job prospects.

Gerbic, an industrial relations conciliator, and his job was at risk because of his anti-Government comments, Bolger hadly warned.

Clearly, Bolger doesn't relish the prospect of his performance being exposed on the Otago stage. But Gerbic insists he "won't be shuffling" and is confident he won't be dismissed because he will have a job as a member of Parliament.

He has taken annual leave for the period of his campaign, has been assured of a return to his job as Secretary of Labour if he loses the by-election, and is a statutory Government appointee whose appointment does not expire until 1982.

Thus his criticisms are bound to continue — a rare only wonder at a Minister who would

prefer to add to the unemployment statistics rather than have his administration subjected to public appraisal.

Sacking and censoring seems to be the way of dealing with debate nowadays, alas.

The Maranga Mai group which presented a play at Mangere College ruffled plenty of feathers — mostly white ones.

The cries of outrage from protective pakeha parents gave the impression the play had been an obscene, racist call to revolution. But was there a breach of the law? It doesn't appear so. At least, nobody bothered to whistle in the police to investigate.

Were the actors trying to incite racial hatred? Without having seen the play, one is in no position to judge. But those who initially squawked shrilly about the play didn't refer the matter to the Human Rights Commission. They found a more sympathetic ear in Education Minister Merv Wellington, who wrote to the Manukau City Council urging an investigation of the circumstances surrounding the incident and calling for a ban on the group from all schools within the council boundaries.

That was true to form for Wellington, who is chalking up a curious record for a Minister in a

Government committed to freeing the economy (political and economic liberties go hand in hand, after all). He suppressed much of the fine politically unpalatable facts. He won't talk to a student leader because of that person's political allegiances (or alleged political allegiances). And he personally went to work on sex education material, deciding what our kids may or may not see.

A more enlightened Minister might have figured that if the police had nothing to act upon, then it should be a matter for individual schools to determine for themselves if they wanted to see the play. After all, whatever the effect on the sensibilities of adolescents, it must surely be educational for these youngsters to learn that there is such a thing as Maori militancy and a reawakening of Maoritanga. Concocting them from the facts of life does them a disservice.

Bolger and Wellington aren't alone in the higher echelons of Government in their suppressive attitudes. Internal Affairs Undersecretary Ken Comber took a dislike to Isabel Allende, daughter of the late Chilean president. She was interfering in this country's internal affairs, he claimed.

"How many New Zealanders can remain silent when a visitor, whose father had a lamentable record in withholding civil rights in his own country, advocated support for an illegal ban that continues to hurt our export trade beyond comprehension," he said, calling for a muzzling of the woman.

He would have done better to have countered her arguments and tried to persuade the Federation of Labour not to heed her call for a continuation of the trade ban against her country.

At Waikato University, a lecturer was sacked because he had written an article which embarrassed university authorities. The article — which alleged a cancer death link with the university — prompted such a furor, naturally, an independent inquiry was set up. It cleared the laboratory of any connection with the cancer deaths.

The lecturer apologised publicly for the article, which had appeared in the student publication *Nexus*, and said its publication was ill-advised and unjustified.

His abilities as a teacher do not seem to have been in question. But for criticising the institute he has been given his marching orders.

Universities, of all places, should be committed to intellectual freedom — and that includes the freedom to make mistakes.

Subsequently, a technical officer in charge of the scanning electron microscope facility at the university revealed the existence of a document which she claimed lent support to the *Nexus* article's concern over laboratory supervision. But it was withheld by the vice-chancellor from the academic board which dismissed the lecturer. And a professor asked the technical officer not to let the report get to the university council because it could be made public and he "didn't want that because it would damage the school of science".

One of the most colourful officers in the Navy, Commander Ian Bradley, was suddenly stripped of his command as captain of the shore-based HMNZS *Philomel* (and then resigned). The demotion and relief of his command was done in a manner described by his superior as "totally unexpected and unnecessarily harsh".

The lawyer said the reasons given by his superiors concerned reliability, conduct and discretion. And he suggested that Bradley might have raised the ire of his superiors by expressing personal viewpoints on the Navy in an article in the *Listener*. But there was no suggestion that Bradley had been guilty of any serious offence such as a breach of discipline or the Official Secrets Act.

All these events have happened within recent weeks. They are merely the ones that have come to public light (no doubt other such incidents go unreported). And they are a sad commentary on a society which obviously nurtures intolerance and an unwillingness to improve itself by talking out its problems.

Bob Edlin is editor of *National Business Review*.

Without word of a lie

Avago dished out at Bellamys

WHILE Internal Affairs bureaucrats debate the legal position of Avago House Cards, their political masters are "avine-a-go" in Bellamys no less.

The IHC have found this simple gambling device to be the best fund-raising vehicle available to them after a pilot run in Auckland.

But the IHC want either the bureaucratic nod or the Minister's signature before going national with the game. It has been kept waiting while the bureaucrats pore over the fine print in the gaming regulations.

Meanwhile a box of the Avago cards turned up for sale in Bellamys with, apparently, the help of a friendly politician.

All and sundry scoop Star drug reporters

SCORES of pressmen, including Radio Pacific's David Beaton, descended on the British town of Chorley for the sensational Mr Asia murder/drug trial.

But the *Auckland Star's* crack drug investigation trio had to read about it from home.

The three senior *Star* reporters spent nearly two years breaking stories on the drug syndicate at the heart of the trial and on the activities of murder victim Marty Johnstone.

The investigative journalists won a Qantas journalism award for their efforts. And their work has been turned into a profitable best seller: *The Mr Asia File: the life and death of Marty Johnstone*.

Undoubtedly these reporters know more about this syndicate and the accused than any journalists in the world.

Not surprisingly, *Star* reporters are said to be miffed at not getting the chance to finish the job. *Star* editor Keith Aiken brusquely informed us the New Zealand Press Association could do an adequate job and conceded that cost was a factor in deciding not to send a reporter.

Yet the *Star* sent its drug members as far as Australia and Singapore — often at great personal risk.

Brockie's view



And because of the timing of the case, Press Association reports are hitting the *Star's* arch-rival, the *NZ Herald*, first.

Meanwhile Radio Pacific is billing David Beaton, its man in Chorley, through large advertisements in the *Star*.

Friends, farmers and country men

WE hear from the Deep South that Federated Farmers junior vice-president Peter Elworthy struck the right chord when he addressed the Federated Farmers (Southland) annual conference.

He concluded his address: "The budget

should be balanced, the Treasury refuted, public debt reduced, the arrogance of officialdom tempered and controlled. Assistance to foreign lands should be reduced lest the State become bankrupt. The people should be forced to work and not depend on the Government for subsistence."

And as delegates pondered the appropriateness of those remarks, Elworthy revealed the source of his quote — Marcus Tullius Cicero, Roman orator, 43BC.

He once spent some time in an overseas posting (where his duties included learning Chinese). And in those days, he had some rather forthright views about the regime in the Land of the Great Wall. Indeed, he would insist that the anybody who was not working for the overthrow of Mao and Communist Government was not a patriotic Kiwi.

Now that Mao has gone to the great communist in the sky, it may be that patriotism requires its expression in other ways.

WE were surprised to notice the presence at the

state luncheon for Chinese Vice-premier Li Xianxin at Parliament of an old friend.

Regrettably, we cannot name him here because the law insists we don't (reason being that to work and probably still does, for a state organisation headed by a former magistrate and staffed by not-so-public servants).

He once spent some time in an overseas posting (where his duties included learning Chinese). And in those days, he had some rather forthright views about the regime in the Land of the Great Wall. Indeed, he would insist that the anybody who was not working for the overthrow of Mao and Communist Government was not a patriotic Kiwi.

Now that Mao has gone to the great communist in the sky, it may be that patriotism requires its expression in other ways.

WE were surprised to notice the presence at the

by Robert Solomon

ANYONE who tries to forecast what will happen to exchange rates in the year ahead could remember Einstein's dictum that "everything should be made as simple as possible, but not simpler".

Exchange rates, especially dollar rates, are likely to be subject to conflicting pressures. It is not easy to predict what the net result will be.

The influences that affect exchange rates among the major industrial countries are interest rates, current-account positions, and rates of inflation, actual and expected. It is useful to examine each of these forces in turn.

As interest rates in the United States soared in the early months of this year, the effect on exchange rates was evident. The dollar strengthened markedly against most other currencies.

The effective exchange rate of the dollar, as measured by the Federal Reserve's trade-weighted index, increased 9 per cent from early February to early April.

The effective rate of the Deutsche Mark fell about 5 per cent over the same period. Against the dollar alone, the Deutsche Mark fell more.

Along with the decline in American interest rates in recent weeks, the dollar exchange rate has gone back down again. Relative interest rates, and expectations about their future movement, have an effect on exchange rates. But it is not always the predominant effect.

It is noteworthy that the dollar strengthened last week in the face of an action by the Bundesbank to raise German interest rates, while American interest rates were falling.

Movements in the current account of the balance of payments apparently have a significant impact on exchange rates. In 1977-78, the dollar fell sharply when a substantial current-account deficit appeared in the United States.

Balance of payments, while Germany, Japan and Switzerland developed large current-account surpluses.

Current-account deficit affects the exchange rate in two ways:

1. It engenders expectations of a corrective devaluation.

2. It involves an increase in foreign financial claims on the deficit country and, through the dollar portfolio-balance effect, leads to a depreciation of the dollar.

At present, the United States current-account deficit looks strong compared with that of Germany, Japan, and other industrial countries. The large increase in the international price of oil that occurred over the past year is pushing up all oil-importing countries into current-account deficit.

But the United States deficit is likely to be relatively small, since the non-oil balance of payments has shown a substantial improvement.

Furthermore, the United States economy is now sliding into recession, while other industrial nations, although their rates of economic expansion are likely to taper off, are not expected to experience actual downturns this year.

American imports can therefore be expected to decline more than America exports, apart from oil imports. The current-account of the United States should strengthen as compared

with other countries. This should serve as a positive factor in its influence on the exchange rate of the dollar.

Finally, there are relative rates of inflation among countries.

The notion has been discredited that a close relationship exists between movements of prices and movements of exchange rates. Some countries have experienced a much larger change in the exchange rate than the relative rate of inflation would seem to justify, while other countries are in the opposite situation.

Recently, all industrial countries have been afflicted with an acceleration of inflation, not least the United States. As last year's oil price hike is absorbed into countries' price structures, inflation rates should fall off.

Furthermore, declining interest rates and the slower rise in house prices should reduce the measured rate of inflation in the United States.

Whether the recession will affect the rate of advance of wages in the United States, and by how much, remains to be seen. In general, it would be optimistic to expect the United States inflation rate to fall below 10 per cent in the near future.

Although this may be about average for all industrial countries, it is significantly higher than the likely rate of price advance in Germany and Japan. From the viewpoint of relative prices, one would not expect the dollar to strengthen against other major currencies.

With the current account tending to be bullish for the dollar and relative inflation rates bearish, much will depend on what happens to interest rates in the United States and abroad.

In this connection, the actions of the Bundesbank will be of particular importance, given the dominant role of Germany among European countries.

The recent actions of the Bundesbank were ambivalent, since they raised the discount and Lombard rates, yet also increased the availability of funds to banks.

One argument put forward for the maintenance of relatively high interest rates in Germany was that capital must be attracted from abroad to finance the current-account deficit. An answer to this argument may be found in the advice to the German officials were giving to the United States in 1978: finance your deficit by issuing securities denominated in foreign currency.

This advice was taken up by the United States Treasury in Germany.

Now that the tables are turned, shouldn't Germany be financing its current account deficit by issuing dollar-denominated securities? That would be preferable to keeping German interest rates at a higher level than is justified by the prospects for the domestic economy of Germany.

All in all, one cannot escape the conclusion that the course of the dollar's external value in the year ahead is one more uncertainty in a very uncertain world.

FROM the May 8, 1980, issue of the *Journal of Commerce*, by permission.

(For many years Dr Solomon was the Federal Reserve Board's top international economist. He has also served as a senior staff economist to the Council of Economic Advisors.)

Single copies: 75 cents
Subscription rate: NZ\$25.00
Member ABC (Audit Bureau of Circulation)

TKM

three letters, that spell access to import/export finance

Tozer, Kemsley & Millbourn is one of the largest financial institutions in the world. For over 80 years, it has been providing finance to exporters and importers.

And because TKM has more than 20 offices in 15 countries — including the Soviet Union — it can also offer independent specialist market knowledge and advice. If you trade with other countries, it could be in your interest to investigate the full range of TKM services.



Phone E.J. (Evan) Baxter, Wellington 847-895 or M.C. (Merv) Pearce, Auckland 372-202. Or ask your Secretary to mail the coupon.

Post to: Tozer, Kemsley & Millbourn (NZ) Ltd
P.O. Box 6042, Wellington or 2826 Auckland.

We would like to know more about the services you have to offer.

Name

Position

Company

Address

TOZER, KEMSLEY & MILLBOURN (NZ) LTD

Letters

Not worth patching up

YOUR Economics Correspondent in a series of articles in *NBR Outlook* for the 1980s correctly states: "The economic machine is too far gone to be patched up any longer".

However, nothing more than strengthening of old patches is recommended.

The Economics Correspondent's basic acceptance of present orthodoxy, which one side of his thinking knows is inadequate, is shown by his whole discussion of the history and present position of the New Zealand economy.

His recommendation is "The lessons of the 1970s are for more moderate use of monetary and fiscal policy following a more gradual, integrated approach".

Fiscal and monetary policy is used as attempted cures of maladjustment symptoms arising from a fundamental fault in our mixed economy.

Social Credit funny money proposals to cure what they claim is a purchasing power gap is very like now orthodox Keynesian deficit financing fiscal policy. Both of these halfway sense what is the fundamental fault of our system. The supposed cure inevitably leads to accelerating and compounding inflation without correcting the fundamental fault.

NEW ZEALAND SALARIES FALL FURTHER BEHIND AUSTRALIA

In the last twelve months, Top Executives in New Zealand have seen the value of their salaries in absolute terms fall well behind those in Australia.

Australian Senior Executives in such functions as Marketing, Finance, Personnel, Manufacturing and Engineering generally receive salaries of between \$40,000 - \$60,000 greater than New Zealand.

The picture also changes markedly if the different rates of inflation are taken into account. In New Zealand prices rose by 8.4% in the year, almost double the rate of increase experienced in Australia.

These observations have been obtained from data in the latest PA Greenwood Salary Survey which is conducted twice a year simultaneously in Australia and New Zealand.

Further information on the survey is on Page 4 of this issue.

Container handling

FACETS continued to talk with delegates from round the world who attended the April meetings of the International Association of Ports and Harbours at Brisbane make nonsense of Warren Berryman's statement (*NBR*, April 28) that: "New Zealand ports, with the best modern equipment, often move containers at only one-third the rate of overseas ports".

Performance in the final quarter of 1979 covering 33 ports in the United Kingdom, Europe, Japan, South East Asia, Australia, and New Zealand gives the lie to such an assertion.

During that quarter the four

New Zealand container ports are each credited with considerably better gross ship container handling averages per hour than eighteen of the four New Zealand ports averaged over 30 containers per hour, which is the standard means of measuring a terminal's efficiency.

Inaccurate statements such as that quoted mislead the public and discourage those of the workforce striving for better waterfront performances.

R T Lornier
General Manager
Auckland Harbour Board

Consistent surveys

MY largely unpublished answer to Mr Maxted's claims regarding radio survey samples in Auckland (*NBR* April 7) outlined in considerable detail the very consistent patterns being obtained in terms

of age and sex characteristics. Ms Fitness's letter surprised me therefore especially by its being published when *NBR* had facts on hand which clearly showed her analysis to be wonky ... not the survey samples.

The Market Research Society investigates individual complaints when these can be substantiated and when they are addressed to it rather than through a letters to the editor column. We would be more than pleased to confront Ms Fitness in front of the Society's office holders, on this matter.

Richard Todd
McNair Surveys Ltd

The need to build beds

TRAVELLING across the Tasman, I read the letter of Mr John Macfarlane, managing director of Lion Breweries (*NBR*, April 28).

May I make the following

comments with regard to the Government offer to firms earning foreign exchange.

(1) They are similar, I believe, to that offered by Trade and Industry to manufacturers.

(2) The main effect will be (as is already evident), that hotel rates for overseas tourists will rise between 20-25 per cent this year, but because of the Government incentive rates passed on to the overseas tour operators in other countries, will increase by only 10-15 per cent.

With good fortune this could very well mean extra tourists to this country, whilst the hotel owners will receive a larger increase than they otherwise could have expected in their room rate.

However, I would go along with Macfarlane very much in his questioning as to whether the right incentives are being offered to hotel-owning companies to build more beds. Honolulu, Singapore, Hong Kong, Manila and even London have shown, that given

the right incentives, surplus beds produce a tremendous increase in the number of overseas tourists visiting most any country.

The fact that these tourists spend money on not only food and drink, but also on a comparatively expensive way of earning foreign exchange.

I believe our hotel incentives are not doing the job, they are meant to do, so therefore they need changing. I am not a hotelier, so I am in a situation to say how they should be improved, but believe the Government association with hoteliers should find out.

Duncan Lindsay
General Manager
Tour Operators
Atlantic and Pacific Travel

Answer

C T Reid (Papatoetoe): YOUR reply to Colin James article on state spending is long for publication on page 4. — Editor.

When the purity goes out of the revolution

by Colin James

It is one thing to state a principle in the abstract, quite another to adjust practice to match the principle.

It is at the point at which this simple infuriating fact of life is discovered that all revolutions go sour.

So it is interesting to watch the National Party trying to keep the momentum going one year on from its great assertion of its fundamental commitment to private enterprise, "healthy competition", "individual effort and initiative, thrift, self-reliance and efficiency".

Four main strands have emerged in the party's rediscovery of what it stands for:

- The reduction of Government bureaucratic regulation and control of economic activity;
- The elimination of

props to inefficient economic undertakings;

- The reduction of taxation — less for the (immoral) domestic purposes beneficiary, more for the (upright) citizen in a job;
- The breaking of collective union power.

Critics of the new mood in the National Party have had little trouble finding apparent contradictions.

Is it not, for instance, consistent with the principle of a Government hand-off stance to let unions and employers decide between themselves what wage levels should be?

Or: what is so individual-enhancing about the growth of corporate monopolies that a less interventionist Government stance would accelerate? If unions are bad because they are powerful collectivities that can impose their price on

society, why is not Watties equally bad?

There are two principal explanations for the contradictions.

One is that the new mood is in fact a coalition of two sorts of attitudes:

- The backward-looker, with a wealth stake that would have been bigger if governments and unions hadn't interfered over the past 40 years. Essential approach — "Let our particular money machine get as big and strong as it can under its own steam. Undo all those things that have been done to stop it getting that big."
- The forward-looker, who can see dawning an age when the small operator can be king again because automation and other technological developments will undermine top-heavy corporate power.

The forward-looker wants the spirit of the New Zealander freed from the collective-oriented past to be all the better prepared to capitalise (definitely no pun intended) on the opportunities of the new age.

In the first, hard-bitten self-interest, understandably upsetting equally self-interested unionists. In the second, a tinge of the romantic: every-one a self-determining subcontractor; the withering away of the big collectives, unions and corporations.

Confusions arise over objectives because the two attitudes are not held by neatly separated, or even easily differentiable, groups, but incestuously intertwined.

Their meeting point is taxation, which is the starting point of government intrusion. Concentrating on reducing government activity allows inconsistencies elsewhere to be overlooked (for



Ken Comber: "Yes, we want casinos, Ken."

example, big enterprises crushing small ones).

The second principal explanation for the apparent contradictions arises out of the impossibility of a pure revolution.

Markets, which are looked to by the new breed as the principal agent of the introduction of the new age, are in New Zealand at best imperfect and at worst non-existent.

And, as Hugh Fletcher has argued and the European Economic Community has in a different sense rammed home with its heavily protectionist sheepmeat proposals (thus bearing out my at-the-time-discounted gloomy predictions in *NBR* in April, 1978), international trade is not exactly governed by Adam Smith's invisible hand, either.

So MPs, the political trustees of the new mood crusade, have been concentrating on the journey rather than the destination.

"Look what we've done already," they say. The longer an MP has been in Parliament the more he tends to emphasise the positives in the road.

Geoff Thompson, 18 months an MP, led discussion at the annual conference of the Wellington division of the National Party on "excessive government".

Thompson noted that "our recent party record is reasonable" — in other words, progress has been made. But he also lifted his eyes to the destination: "There is an enormous amount to be done — to reverse the strangulation of our society by over-regulation and control."

The rank and file roared their approval. Attempts by deputy divisional chairman Tom Craddock and 1975 MP Tony Friedlander to get delegates to face up to their own ambivalence in remits were swept aside.

"You are dead wrong," said John Schnellenberg. "The National Party deep down is not ambivalent. The National Party is willing to bite the bullet. What is absent is willingness in the caucus to bite the bullet."

Undersecretary Ken Comber (1972) lumbered in to bring the troops to their senses with some examples from his field of internal affairs. Did they want community facilities programmes cut? Yes, they roared. Wildlife? Yes. Controls lifted over racing and gambling? Yes. Casinos? Yes. Advertising on Sundays on television? Yes.

It was heady stuff. Sticks in hands, pouring through the gates into the Bastille.

Down in the Otago-Southern land division they do things more sedately. But the mood at their conference in Dunedin was unmistakably the same.

They did not even bother to debate a unanimously approved remit urging "more positive action" on previous remits "which boost private enterprise and decentralise the country, reduce state expenditure and support individual

savings and effort by significantly reducing both personal and company taxes."

There is a tempering factor — power.

A year ago the Prime Minister was getting frosty receptions from the party for trying to drive in the wrong direction. Now they seem to have convinced themselves he is with them again — maybe not pushing hard enough on the accelerator, but at least being propelled in the right direction. That seems to be enough for them to kiss and make up until the next election is over.

At both conferences the Prime Minister was received warmly (even affectionately, almost). "Just like 1975," they were all saying at Palmerston North, ready to knock on doors for him next year till their knuckles are raw.

In Dunedin, they are more phlegmatic: "He's always gone down well here."

And he did. A chatty, almost confidential, un-punchy talk amongst friends. A leader confidently at home, a vivid comparison with the twitchy scapegoat for the 1978 near-loss who was facing party audiences a year ago.

I might add in passing that there is looking better, too, fuller in the face and cheerful. I understand she has been much more outgoing and active on her own account over the past six months or so, less tied to treading the skirts.

Perhaps that reflects in some way the changing role of women in politics. Though that change is more evident in the Labour Party than the National Party, there are some vigorous "National" women coming through.

Watch, for example, Jenny Simpson, a rural activist from Taranaki who is being promoted by the Wellington hierarchy.

Watch also for Nancy King, in Dunedin, leading woman in a division where women seem particularly in evidence, despite its legendary (and self-proclaimed) conservatism (for instance, King's title is deputy divisional chairman — none of this chairperson stuff there).

This conservatism has an almost unworried tone, as in the passing of remits calling for the industrial relations earth to go round the moon.

They wanted free bargaining, but automatic arbitration after a time limit and penalties for not complying. Fine in theory, but, as someone has recently pointed out, New Zealand doesn't have the armed forces to carry it into practice.

The conservative calm has also been disturbed by internal strife: personality clashes, resignations of prominent office-holders, public criticism of the Government, leaking of party documents, a demoralised membership in the affected electorate, Dunedin North.

Party chiefs down there assure me things are sorted out now and that it was all the doing of one disgruntled individual and had been blown out of proportion in the local paper, the *Otago Daily Times*, which printed a guarded article on April 16.

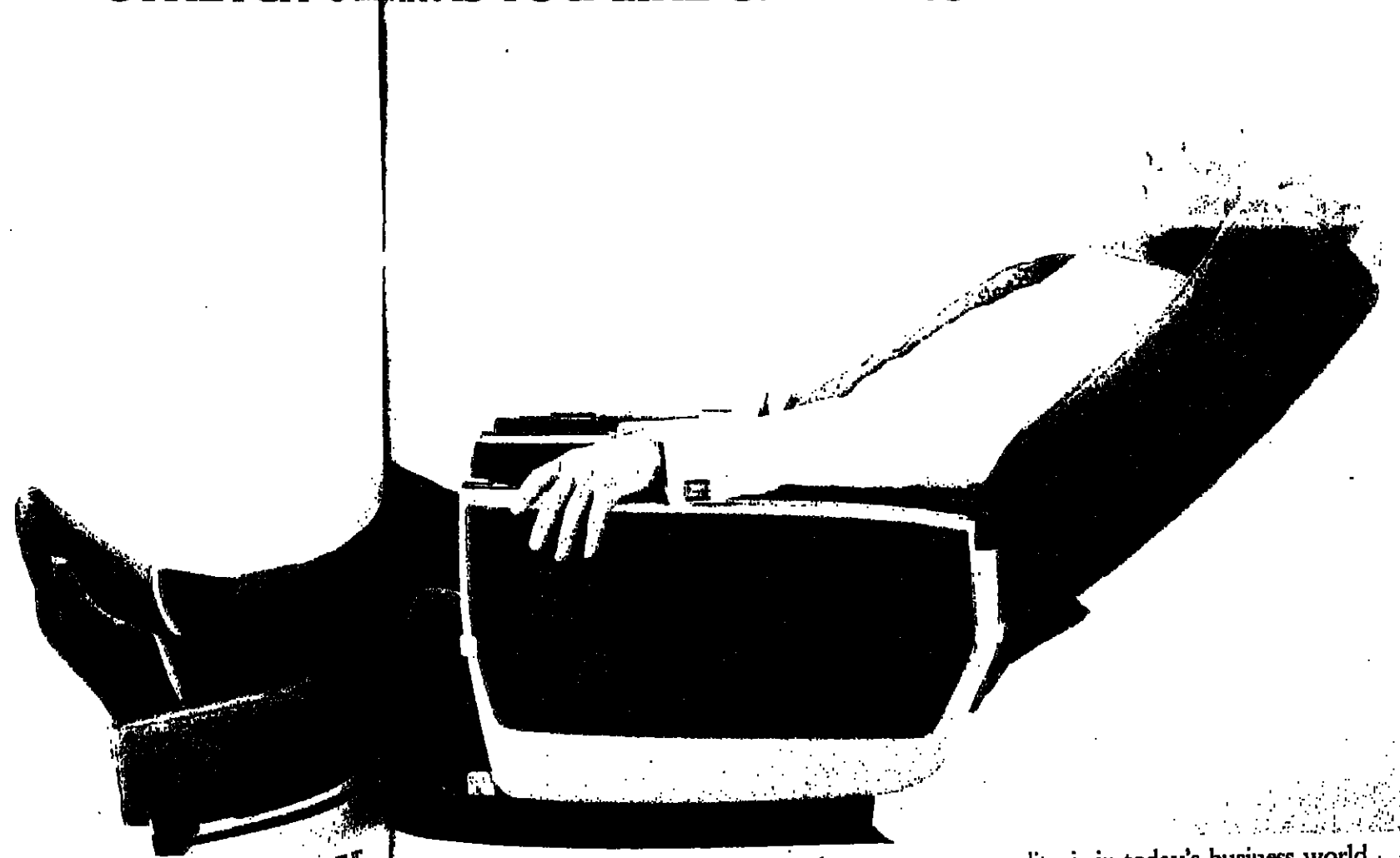
The *Times* reporter says there is more to come out yet. Take your pick.

On a brighter note, I have to report that Dunedin rose to the challenge of the Labour Party's big red apples.

"After-dinner minis," said a party notable, thrusting one into my clammy paw. "Have you ever seen after-dinner minis at a National Party buffet?"

I hadn't. One-all.

STRETCH OUT AS YOU LIKE ON THE LONG STRETCHES.



QANTAS FLIES TO THE WORLD'S MOST IMPORTANT BUSINESS CENTRES.

Qantas can fly you to the world's major cities. First Class!

Qantas flies to more world destinations out of Australia than any other airline, and trans-Tasman flights connect conveniently with most of these flights. And if there's a short wait, enjoy complimentary drinks in the V.I.P. Lounge.

This table shows how far Qantas flights stretch, and how frequently we depart from Australia:

- 10 flights per week to London;
- 3 flights per week to Frankfurt;
- 4 flights per week to Athens;
- 3 flights per week to Rome;
- 2 flights per week to Amsterdam;
- 10 flights per week to Bahrain;
- 14 flights per week to Singapore;
- 3 flights per week to Hong Kong;
- 4 flights per week to Bangkok;
- 2 flights per week to Tokyo;
- 1 flight per week to Manila;
- 3 flights per week to Jakarta;
- 10 flights per week to San Francisco;
- and 10 flights per week to Honolulu.

QANTAS WILL GET YOU THERE ON TIME.

Qantas never forgets how important

punctuality is in today's business world.

Our ontime record proves it. In fact, it's the envy of other airlines.

Stretch out, relax. Qantas will get you to work on the other side of the world — on time!

Talk to your Qantas travel agent. From priority check-in to priority baggage clearance, it's First Class all the way with Qantas.

QANTAS the world's only all 747 airline

QANTAS

QANTAS

QANTAS

QANTAS

QANTAS

QANTAS

QANTAS

PRIME WAREHOUSE / OFFICE SPACE In the Heart of the Wellington area Population Centre



- Within one mile of Wellington city wharves, railway sidings and all main freight depots
- This prime space is astride the main Wellington City — Hutt Valley communications artery
- This space features drive-in access for container units
- 15 foot stud throughout
- Natural light
- All reinforced concrete construction
- Undercover car parking
- Total space available is in two options: 15,000 square feet or 32,000 square feet
- The available advertising frontage brings exposure on New Zealand's busiest road system
- 2,000 square feet of offices including executive suites

This is the first time that this commercial area has been offered. Price is \$2.30 per square foot with long-term lease available.

Apply: General Manager, A. Gyles and Sons Ltd, P.O. Box 6279, Wellington, or ring 850-633.

Name _____
Address _____

monetary measures stabilize activity. To do so, it must be aware of the leads and lags in the economy's adjustment to change of policy. As long as the Government

Homes
P.S. If only you

id: Box 06-085, Auckland
 ur ads were as good

For this control function to go deeper than cosmetic financial accounting, the Budget exercise must be elevated from a political event. If the Government's real intentions are made clear, economic tools could be more appropriately be applied.

(1) These are the estimates on Budget night. Budget estimates are subject to revision when Supplementary Estimates are voted later in the year.

**To contact your nearest representative,
write or ring National Provident Fund.**

PROTECT NEW ZEALAND FLORA AND FAUNA. NP1

To do so, it must be aware of the leads and lags in the economy's adjustment to a change of policy.

P.S. If only our ads were as good as our houses.

ON YOUR RETIREMENT YOU'RE GOING TO HAVE THE TIME....MAKE SURE YOU HAVE THE INCOME

Labour economics calls for state-stimulated

NBR: In the short-term you disagree with the Government's strategy. You feel there should be measures to stimulate growth in the short-term. Can you explain the basis for saying that and how you would intend to go about it.

Caygill: New Zealanders are being asked yet again to tighten their belts in the expectation that everything will be right by the late 1980s or 1990s.

Maybe it will, but maybe it won't. In the meantime the economy is virtually static; so is agricultural production in volume terms.

We are not persuaded that the problems in the economy of inflation and imbalance of payments are caused by excessive internal demand. Nor are they going to be solved by restraining internal demand.

To take a matter of particular concern, the comparatively low level of investment in New Zealand, our analysis is that this is not principally caused by tax problems and the essential solution to it is not to change the tax mechanism by introducing current cost accounting or what-have-you.

The solution to it is to improve the cash flow of businesses by expanding the economy so that there is more demand for their products.

The way we go about that is important because it is vital to avoid the further exacerbation of inflation and it's also important to ensure that ex-

panded economic activity does not flow too far through into increased demand for imports.

Basically, you intend to stimulate demand in the short-term?

Caygill: Yes. One has all sorts of definition problems and whether by "in the short-term" I mean six months or three years?

Caygill: Over that sort of total time frame, yes. The first overriding aim of the Labour Government will be to get the employment up.

There are something in the order of 300,000 jobs to be found over something like five to 10 years.

And you intend to do that by demand-led growth?

Caygill: Yes. You mentioned that you will need to ensure that inflation doesn't grow as a result and that the balance of payments doesn't get out of hand. How do you intend to handle each of those issues?

Caygill: Let's deal with inflation first. If our analysis is correct and the essential problem is not demand but costs, then we have to tackle costs.

Some of the most important cost increases that have contributed to the high level of inflation at the moment are precisely within Government control - for example electricity, where we have had a 300 percent increase in the last five years.

The Government is a mar-

GROWTH and jobs are central to the Labour Party's economic strategy over the next three to five years.

So says the chairman of the party's parliamentary (caucus) economics committee, David Caygill, in the second and concluding part of an interview with Colin James on the party's economic strategy.

That strategy calls for Government-stimulated growth: "The first overriding aim of the Labour Government will be to get employment up," Caygill says.

Caygill argues that there is under-utilised capacity and that inflation at present is being driven up by costs, not pulled up by demand. Thus, he argues, Government-stimulated growth, coupled with controls on infrastructural costs like electricity, need not lead to inflation.

He argues that there are mechanisms available to ensure that such stimulation would not wreck the balance of payments.

ket leader in interest rates. You've got postal charges and you've also got Government influence in the transport sector through rail charges.

We are convinced that there is considerable room for cost-reduction in real terms in each of those areas and detailed policy is being examined at the moment.

Turning to the internal costs of businesses, we can see, as we said in 1978, a role for tax reductions as a means of increasing the standard of living of those in the lower and middle-income ranges, without adding to the costs of businesses. Whilst that does not reduce the cost of wages, it helps to hold it.

The Prime Minister is talking about that very area at the moment and it may very well be that he takes action on those lines in the coming Budget.

I think the difference

between him and us on this issue is that we have much more confidence that we will be able to reach some sort of... date. I call it a social contract... with the unions and employers on the question of wages and taxation.

What about imported costs? **Caygill:** Historically New Zealanders seem to have accepted in Governments of both persuasions that there is not a great deal that can be done about imported costs. I think the one thing that can be done is to seek out opportunities for import substitution that are not themselves going to add too dramatically to internal costs.

If you are going to stimulate demand to the extent of getting 300,000-odd jobs surely at some point you are going to move from cost-push inflation to demand-led inflation.

Caygill: Yes, of course you would. If I thought we could

achieve 300,000 jobs in five years I would be delighted.

But I am not too much of a pessimist either. Just in the past week the final report from the Manufacturers' Federation looking at what manufacturing can contribute to exports is suggesting something in the order of 150,000 jobs over roughly five years, say by 1983 or 1984, although that's starting from a base period of 1976-77 and my suspicion is that we have not matched the increases that they were hoping for between 1977 and 1980 and so we have to start again.

But supposing they're right and they've done some pretty thorough modelling on that, then whether 300,000 is on, whether it's attainable in five years is not really the point, or not specially important.

What is important is that there is room for considerable expansion in economic activity. The manufacturing study was confined to manufacturing, it didn't look at the agricultural sector at all, it didn't look at the tourist sector at all, it wasn't designed to.

There is room for considerable expansion in economic activity that can be, if not labour-intensive, certainly employment-generating. How do you ensure that the demand you intend stimulating will go to locally produced goods rather than imported goods? Will you go back to tighter protection?

Caygill: No, not necessarily. Expansion of the economy need not dissipate itself in

massive demand for imports. There are a number of ways of directing the expansion of domestic demand into the export sector. One of the policy of a foreign exchange surcharge is one, another is a surcharge rather than a tariff.

Except that most manufactured goods use imported components and materials. Thus even a stimulus demand for local goods is to some extent stimulating imports.

Caygill: Oh, quite. But the concern, I think, is not so much of consumable goods as of capital goods. The manufacturers' Federation, have taken the view of needing more materials into accounting their expansion through the economy.

They are quite clear that can achieve 150,000 jobs whilst at the same time significantly improving net foreign exchange of the country. And that's right.

Where does your regional development fit in this?

Caygill: That's a very important part of the position in jobs occurring particularly in the geographic areas that are lagging at the moment.

You are prepared to do for jobs?

Caygill: I am not sure of a yardstick.

At the time of the silver market collapse, the Hunt brothers controlled perhaps two-thirds of the supply available to commodity traders.

The decline in silver prices from more than \$50 an ounce in January to \$10.80 an ounce in March caused them to lose

sequence of his labour force moving with him. Even that statement is at too high a level of theory.

One of the things that fascinate me about regional development is that at the same time as the Government seems to be placing less importance on it, other groups seem to be emphasising it, for example, the Planning Council.

There is an important move in the country, I think, towards the concept of devolution. That development, coupled with devolution of Govern-

ment functions to regions can be achieved, I believe, without the sacrifice of any efficiency at all, with some gain for efficiency and possibly even with some minimisation of cost.

Is it correct, then, to sum up at a very basic level, to say your strategy revolves around jobs?

Caygill: I think that's simplifying too much. The strategy involves a higher level of economic activity than is occurring at the moment.

That brings a lot of advantages with it. Jobs is one. Generally an improved standard of living allows for a lot of other things to happen.

It allows for an expanded social programme - and I haven't gone into that at all because it's not directly germane to what you've asked me about, though there is obviously an awful lot to be said

many millions of dollars and threatened the financial institutions that had lent them money to carry out their speculations.

"Their failure," to use Volcker's words, "could in turn have triggered financial losses for others and severe financial disturbances."

The parties involved have agreed since then to try to work out a series of measures, including loans and transfers of Hunt property to creditors, to permit an orderly settlement of obligations.

They include some shift of the outstanding obligations from brokerage houses to banks.

Volcker said the loan agreement being worked out also calls for the Hunt interests to dispose of their still large holdings of silver in an orderly way over the course of time.

Volcker urged the committee to study reforms directed at avoiding such incidents in the future.

International affairs

Banks to the rescue

A GROUP of American banks is negotiating a loan package that could exceed \$100 million to help the Hunt brothers, of Dallas, Texas, to pay off debts that arose when the silver market collapsed in March.

Paul A. Volcker, chairman of the US Federal Reserve Bank and a House Committee Subcommittee he did state a position on whether the Hunt brothers should get the loan.

But he said he was insisting that a loan was made, "the parties to the agreements, reagan from silver and other valuable commodity purchases for the life of the loan."

At the time of the silver market collapse, the Hunt brothers controlled perhaps two-thirds of the supply available to commodity traders.

The decline in silver prices from more than \$50 an ounce in January to \$10.80 an ounce in March caused them to lose

Seabed mining legislation

THE Carter Administration's enactment of legislation this year to enable full-scale seabed mining operations by American companies beginning in 1988.

Elton L. Richardson, the President's special representative to the Law of the Sea Conference, told a Congressional committee that other members of the conference viewed as "reasonable" the proposition that "seabed mining must be allowed to go forward on some other basis if a treaty does not enter into force within a reasonable period."

He said he had discussed the issue with representatives of developing countries, who welcomed the legislation proposed "is not destructive of the purposes of the conference, but, on the contrary, promotes, rather than hinders, the general acceptance of the LOS treaty."

Richardson said "the pending American seabed mining industry" needs legislative assurance that it will be able to enter into operations by 1988 if it is to continue to invest financial resources in the development of the necessary equipment and techniques.

"There is a realistic prospect of concluding the law-of-the-sea negotiations during the five-week session scheduled to take place in Geneva beginning July 28," he told the committee "virtually all of the difficult issues" except for some related to deep seabed mining have been satisfactorily resolved.

He said, "there appears to be a good negotiating climate for reaching suitable compromises on the remaining issues."

Richardson said that if the Geneva session did not reach full agreement on those final points, he believed a short session early in 1981 could pave the way for final signature of a treaty in Caracas later in 1981.

PROGENI

Friendly Computer Systems to meet your needs exactly.

AUCKLAND 796-877 - WELLINGTON 888-014

also at Sydney, Melbourne & Los Angeles

growth keeping employment up



David Caygill... there is under-utilised capacity.

ment functions to regions can be achieved, I believe, without the sacrifice of any efficiency at all, with some gain for efficiency and possibly even with some minimisation of cost.

Is it correct, then, to sum up at a very basic level, to say your strategy revolves around jobs?

Caygill: I think that's simplifying too much. The strategy involves a higher level of economic activity than is occurring at the moment.

That brings a lot of advantages with it. Jobs is one. Generally an improved standard of living allows for a lot of other things to happen.

It allows for an expanded social programme - and I haven't gone into that at all because it's not directly germane to what you've asked me about, though there is obviously an awful lot to be said

How we made SYDNEY good for business!

e.g. 8 Days from staying at The Wentworth Hotel (save \$269.50)



- Return economy airfares
- Transport to your chosen hotel from airport
- The widest selection of prestigious accommodation all with private facilities chosen especially for the businessman.
- Eight days in Sydney leaving a Saturday, returning the next, or go for longer or combine Sydney with other Australian cities.

8 Days Top of the Town Motor Inn from just \$367
8 Days Macleay Street Travelodge from just \$367
8 Days Camperdown Travelodge from just \$437
8 Days North Sydney Travelodge from just \$437
8 Days Wynyard Travelodge from just \$445
8 Days Sydney Hilton from just \$477
8 Days Hyatt Kingsgate from just \$427
8 Days The Boulevard from just \$460

TAAZ Kiwi holidays to AUSTRALIA
Gitaway HOLIDAYS
See your TAAZ Bonded Travel Agent or your
United Holiday Shoppe

Make that next Australian Business Trip a Family Holiday After you've made your decisions why don't you and your wife relax in Sydney or Australia. Save valuable spending money with Kiwi Holidays to Australia.
FOR EXAMPLE: Normal economy airfare \$412.00
7 nights (share twin) \$280.00
Wentworth Hotel \$4.50
Tax on arrival (share twin) \$696.50

The same trip as a Kiwi Holiday to Australia
Costs only \$427.00
A saving of \$269.50

To: Kiwi Holidays to Australia, P.O. Box 3639, Auckland.
Please send me my copy of the Kiwi Holidays to Australia brochure.

NAME _____

ADDRESS _____

Normal travel agent: _____

Bonded Member of TAAZ
air NEW ZEALAND
QANTAS TAA

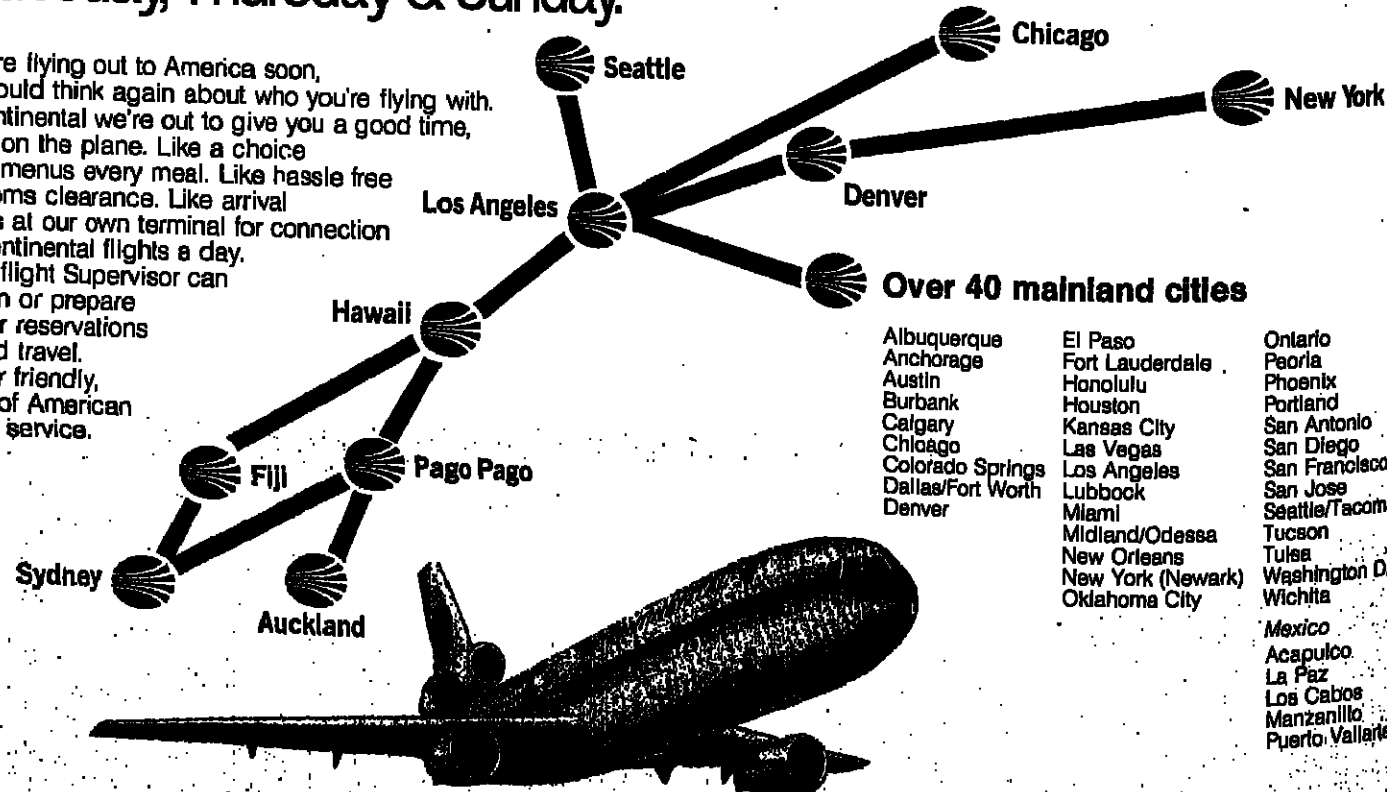
CONTINENTAL AIRLINES. MORE CHOICE TO MORE U.S. CITIES.

From Auckland to Hawaii and over 40 North American cities every Tuesday, Thursday & Sunday.

If you're flying out to America soon, maybe you should think again about who you're flying with.

At Continental we're out to give you a good time, not just a seat on the plane. Like a choice of at least two menus every meal. Like hassle free Honolulu customs clearance. Like arrival in Los Angeles at our own terminal for connection to over 100 Continental flights a day.

Our Inflight Supervisor can amend, confirm or prepare any ticketing or reservations for your onward travel. All this and our friendly, speedy brand of American hospitality and service.



The Proud Bird with the Golden Tail.

CONTINENTAL AIRLINES

U.S.A./Canada/Mexico/Hawaii/Micronesia/Australia/New Zealand/Fiji/Samoa/and the Orient.

If you can't fly Continental, try to have a nice trip anyway.

Strategic base for mutual co-operation

MANAGING-director Hugh Fletcher made a formal statement to the Commerce Commission on May 14.

Referring to a meeting with Carter representatives on March 31, Fletcher said: "In all matters our attitude was one of mutual co-operation aimed at winning Carter's endorsement of the proposals."

Hugh's dad, Sir James Fletcher, said in his formal statement: "At all stages of the discussions we were seeking

the approval of Messrs Carter for an arrangement which we saw as being in the national interest as well as for the benefit of both groups."

Those statements could give the impression that on March 31 the Fletchers thought they might persuade the Carters.

It was therefore interesting that on May 15 the commission received in evidence an "acquisition strategy" prepared for the Fletcher board on March 11.

It says: "It is considered (a) That the Carter family and board of directors will oppose any takeover/merger that subserviates Carter Holt. We do not see any circumstances where a friendly approach can achieve a merger."

"(b) There is a significant likelihood that if given the time Carter Holt will take defensive actions such as through the issue of shares (unissued capital is some 11.7 million or an 87 per cent increase) or through arranging

friendly counter-buyers whether their Japanese connection, or institutional or a company seeking a minority diversification.

"(c) There is a significant likelihood that counter-bidders will appear whether New Zealand (Challenge, NZ Forest Products, UEB, Winstone, Odins - a long list) or overseas (CSR, Weyerhaeuser).

"Hence there seems no option but to gain quickly a powerful initial position (20-25 per cent from which to talk

to the board of Carter Holt and to launch a public bid.

"This position could be gained by securing two out of the three holdings of AMP, Government Life and CML. This strategy is recommended."

An interesting background and base for an attitude of "mutual co-operation" and "at all stages of the discussions... seeking the approval of Messrs Carter for an arrangement".



Sir James Fletcher... in the national interest.

Continued from Page 15.

are no instructions from anyone to buy; escalation offers when there are neither instructions to buy nor the authority to offer escalation; later claims of acting for an institution when negotiating with it (how can one "act" when escalation is offered to

the institution without authority and without buying or selling instructions - although there may be buying instructions within a few hours?); acceptance of broking instructions for a massive shareholding in a company which has been waiting for advice on its affairs.

Fletcher's counsel made the

point that brokers try to match orders if they know potential buyers, and that such matching is a normal broking function. The problem is that in this area the whole question of "normal" is being called into question.

In NBR, May 12, I suggested there were potential problems in the New Zealand situation

where the same people act as brokers, jobbers and advisers. That is now clear.

There are also problems where merchant bankers act as advisers, fund-raisers, and traders on their own account.

Not only NZUC and Jardens face these problems. Other firms and merchant banks are in the same position

and seem unable to reconcile their conflicts.

Some even claim there is no conflict, which is an indication of how far they have moved from the bulk of the commercially informed community.

Various financial "trade associations" ask for the right to regulate their own affairs, free from unnecessary legislation. The community requires some indication that they will do so, or else there is no alternative to outside restraint, which will erode the market mechanism beyond its present condition, a result which affects organisations even more than tighter internal regulation of their activities.

Paradoxically, penalties are already incurred in this affair. NZUC arranged credit for \$14 million, apparently on the basis that the cash element in the deal would allow it to repay a sizeable amount at an early date.

Assuming an all-up cost of money around 15 per cent, the merchant bank has a holding cost of \$5765 a day, and at present no indication of when the funds will be free. That is at least one good reason for NZUC's offer to mediate between Fletcher and Carter.

Jardens and NZUC are involved in a problem of escalation offers. If Jardens has to pay escalation to the AMP, for example, the firm could find much of its brokerage wiped out, depending on the rise in

Fletcher's share price, assuming that the deal is allowed to proceed, a margin which is over to the court (the Commerce Commission).

Last week escalation amounted to 10c a share, four times the 1 per cent brokerage applicable to the large parcels (we have heard any situation where Jardens might receive brokerage on a seller and from the buyer).

NZUC and Commerce claim they no longer have, undertaking to itself to look because Fletcher's bid is lapsing due to delays in legal obligation, but they have a "moral obligation".

The whole question of over practices, irrespective of who is involved, is summed up there. This is the first time "moral obligation" has been heard in the proceedings.

The community may wish to hear it a lot more, or will for legal obligations.

There is an interesting sideline on a similar matter. After NZUC gave a verbal undertaking to sell any shares to Fletcher on March 30, Hugh Fletcher called for written undertaking.

In view of the close connection between the companies, and the fact that massive sums were being arranged, it is not surprising that the undertaking was written in the following words: "My telephone is my honour."

FOURTH ESTATE SUBSCRIPTION SERVICE

To subscribe to or purchase any of the newspapers, directories or books published by the Fourth Estate Group simply fill in and post the coupon below. Please make out cheques as indicated. If two different companies are indicated for multiple purchases, please make out cheque to Fourth Estate Group, P.O. Box 9344, Wellington.

(Please tick where appropriate)

- ☐ I/We enclose \$25.00 for one year's subscription to National Business Review
- ☐ Please bill me/us.
- ☐ I/We enclose \$14.50 per copy for copy/copies of Why Managers Fail.
- ☐ I/We enclose \$65.00 for one year's subscription to The Capital Letter.
- ☐ Please bill me/us.

Name
Address
Occupation
Signature

In 1975, the Otago Daily Times, arguing against secrecy in court proceedings, said: "... the common complaint against apparent inconsistencies of our system of justice would become more widespread, because the secret trial could inevitably be manipulated by unscrupulous persons, or even unscrupulous judges, in manners which would be impossible under public scrutiny."

At that time, controversy was raging over the Labour Government's proposals - which were subsequently enacted - to amend the law to suppress the publication of names of defendants in criminal proceedings in certain circumstances.

The New Zealand Law Society pointed out, in its submissions to the Statutes Revision Committee on the proposed change to the law: "In practical terms, in the modern age, the 'open trial' means a right on the part of

the news media and in particular newspapers to report in full upon proceedings. This is the only practicable means by which the public may have access to the events which take place in our courtrooms.

"Public knowledge of the course of proceedings before our courts of justice is regarded as an important factor in maintaining public confidence in the courts."

The public interest goes beyond the protection of the accused from embarrassment or ostracism - and consequent embarrassment that might befall innocent persons

by Rae Mazengarb

"The courts are open to all, but they are of limited extent, and only a small number of persons can be present in person, but by means of the press the whole nation is informed of what takes place, and is in a position to form an opinion upon the conduct of the jury, the judge and witnesses."

These sentiments, expressed by the great British judge, Lord Campbell, are embodied in the more commonly quoted principle that justice should not only be done, but should be seen to be done.

In Wellington High Court last week, Mr Justice Quilliam ruled to bring down the shutters on a case being heard before him and a jury of 12.

Two men faced joint criminal charges. But after admissions had been made before him by counsel in chambers, the judge made a interim order prohibiting publication of all aspects of the proceedings.

Crown counsel Ken Stone, supported by the Dominion, saying that the Crown had proved the suppression order.

"It is my present intention that these orders will not remain in force indefinitely, but that a time will be reached when the details of this trial may be published," Mr Justice Quilliam said, according to the Evening Post.

Until the order is lifted, the names of the defendants, the nature of the charges, details of the evidence - and even the names - must remain secret.

The newspaper did not say whether justification for the decision the judge may have given.

One possible consideration is that publicity might be prejudicial to subsequent proceedings brought against the accused.

But to elaborate on this, the judge might disclose particulars that may identify the substance of the present trial.

In short, the argument that could serve to support a court order cannot be advanced in detail.

On the other hand, a formidable range of arguments can be brought to bear against the suppression order. First among them is the basic principle of an "open trial".

"Generally speaking, the right to publicity of trial is an important constitutional principle" (Adams, Criminal Law and Practice in New Zealand, 2nd Edition, para 524).

It extends to the maintenance of a system which can keep the risk of wrongful conviction of the innocent and acquittal of the guilty to a minimum.

Thus it is of supreme importance that the administration of justice be open and public.

"If facts are to be suppressed at any stage of the proceedings there must be extremely strong reasons for doing so, and the procedure adopted must be compatible with maintaining full public confidence in the fairness and impartiality of criminal proceedings," said the 1972 Report of the Criminal Law Reform Committee on the suppression of publication of names of accused.

The committee went on to say: "A general rule

demanding total suppression of publication of name and identifying particulars in the case of an ultimate acquittal is not in the public interest.

"Such suppression leaves it wide open to the suspicion that there has been underhand conduct of one kind or another. Moreover, to achieve this result it would be necessary to suppress publication of the proceedings against some persons who were eventually convicted. The majority of the committee find this totally unacceptable.

"We hold strongly that, in general, actual trials should

be conducted openly and in public, but also should be reported to the public at large.

The committee referred to the subject of its report and emphasised that what it proposed was interim suppression of publication of name only (our emphasis).

"It does not recommend that there should be suppression of the fact of the trial, of the evidence given, of the witnesses or any other relevant matters... The idea that 'justice should not only be done, but should manifestly and undoubtedly be seen to be done' is the cornerstone of our system of criminal justice, and a principle that the committee has been careful to keep in its mind..." the report said.

In a separate dissenting statement, a committee member Patricia Webb argued that the distress occasioned by the suppression of names of accused persons would be outweighed by the benefits to the public of knowing the names of those who are accused.

The committee was considering only the issue of the suppression of publication of defendants' names.

"... The automatic ban (on disclosure) would in (no) way undermine the general principle, or give ground for suspicion, that justice was not being done, so long as the prohibition on publication extended only to the defendant's name and to any necessarily identifying particulars," Webb said.

The fact that our courts traditionally have been open to public scrutiny is not mere historical accident.

Centuries of experience have shown that courts which have been allowed to adjudicate in secret have tended to become instruments of oppression.

Historically, the courts in New Zealand have been public places. There was no

power to exclude persons except in the case of Supreme Court hearings, and that power was severely limited.

The special situations which permit or require suppression - in domestic proceedings, divorce proceedings, and children's courts - are distinguishable from proceedings involving alleged criminal activities, and in the latter case suppression involves children as distinguished from adults.

Except in these cases, the general rule is that the courts are open to the public - including the press - and that any member of the public, in-

only by the fact it is reported in the press and can be contradicted by a reader.

Publicity might be effective in bringing new and relevant evidence to light.

Its capacity for detecting and deterring perjury and bringing relevant evidence to light thus can make the publication of court evidence an important aid to justice.

Suppression - not only of defendants' names, but of all court proceedings - not only serves to shelter those individuals who are accused, but to generate undesirable conjecture about the system which is trying them.

A lack of uniformity in the treatment of accused persons may undermine public confidence in the justice system.

Deputy Justice Secretary Jim Cameron was reported as saying last week that Mr Justice Quilliam's decision was "a very unusual course for a judge to take".

The public might then have cause to think that there is one course of justice for some groups of people, and another for others.

When a crime is investigated, inevitably the police inquiries will become known and talked about. This gossip and rumour are spread.

The subsequent suppression of information before the court can only further speculation, conjecture, rumour and gossip outside the court, and so cause more damage - perhaps to innocent people.

The interests of the accused, and the wider interests of justice, generally are more fully served if the public are given the opportunity to openly defend themselves against the accusations in a court of law.

The Otago Daily Times has said: "It is sheer sophistry... to suggest that the possibility of injustice or embarrassment to innocent people warrants judicial action to deny New Zealanders knowledge of who appears in their own courts."

It is not simply news media reports of the trial in Wellington High Court that are prohibited by Mr Justice Quilliam's court order.

Members of the public are allowed to be present, but are prohibited from discussing the proceedings.

Thus the judge's ruling is not merely one that challenges the freedom of the press, since the press enjoys no greater freedom or privilege than any member of the public.

But it is through the press that the public at large can be made aware of the proceedings of any court and provided with the knowledge that justice is indeed being done.

We have the concept of press freedom for no other reason than it is seen as an instrument of justice.

In the real world there are innumerable ways in which individuals and the community can be abused in the name of justice.

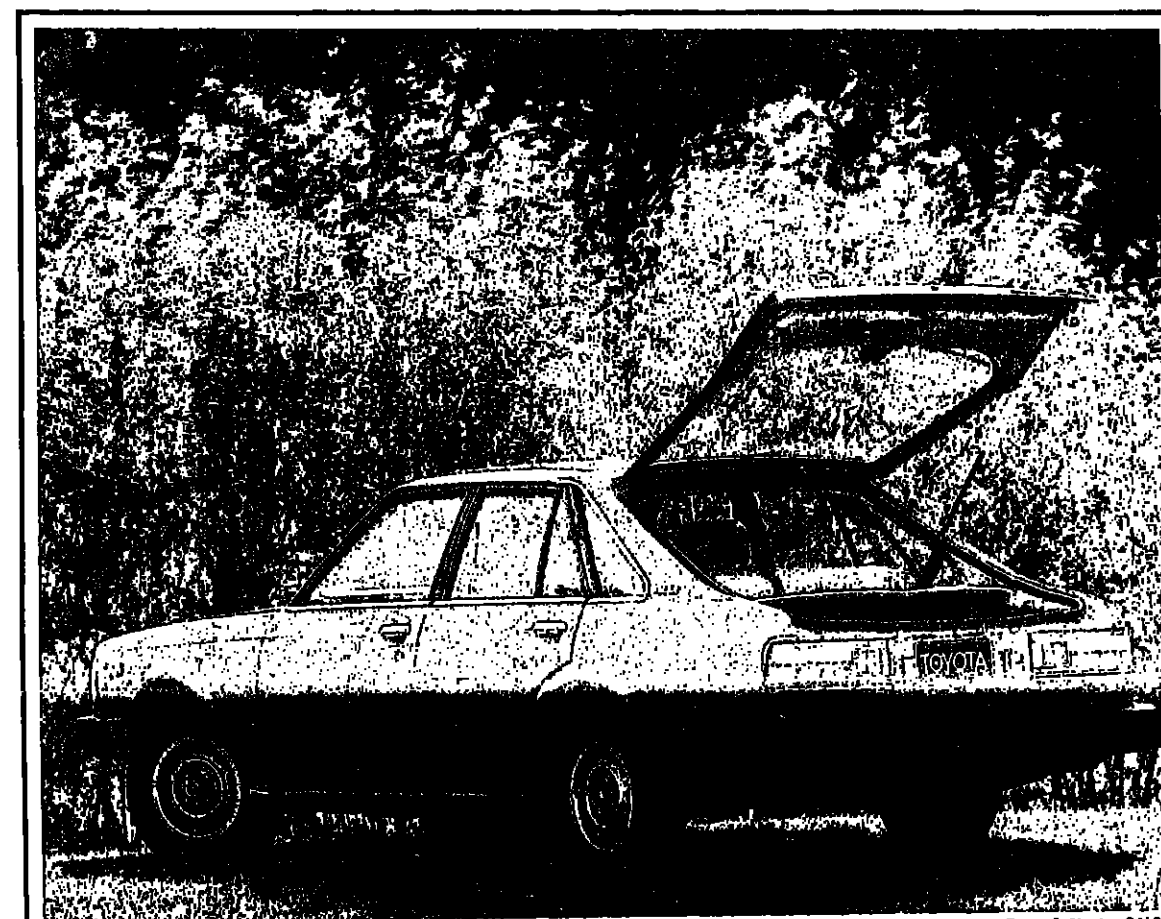
The press can be an important watchdog, opening the judicial process to public scrutiny, so that while error may not be prevented, it may at least not be hidden.

As a former editor of the Wall Street Journal, Vermont Royster, said:

"Freedom of the press and the open trial are both means to the end that citizens may judge the system which judges them; they are the hand-maidens that legislate justice. To dim one of them might not put all in darkness but there would surely be the rather less light along the way."

There may be cases where evidence can be challenged

Judge blocks public view of justice being done



You expect your new company car to be perfect. We do too.

Just as a new Toyota makes a statement about your company it makes one about ours.

Cable-Price TOYOTA

Whangarei, Auckland, Rotorua, Taumaranui, Tokoroa, Porirua, Lower Hutt, Wellington, Nelson, Christchurch - L.M.V.D.

CP 1228

AIRCRAFT DEPART

Flight	to
CX 450	TOKYO
CX 410	SEOUL
CX 901	MANILA
CX 400	KAHSIUNG
CX 510	FUKUOKA
CX 522	OSAKA
CX 504	NAGOYA
CX 550	TAIPEI
CX 502	OSAKA
CX 500	TOKYO

More the way you want us to be.

What you want from your airline is care and attention. You want them to get you where you want to be on time and without hassle.

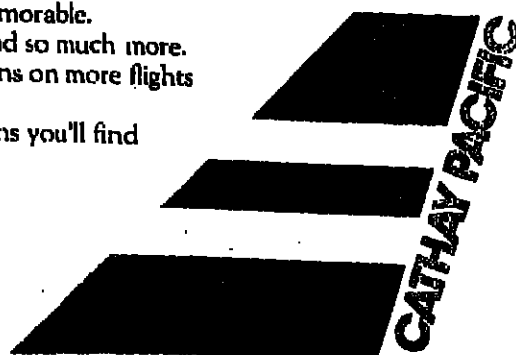
You want service which is charming and efficient, to make your journey just that much more comfortable and memorable.

At Cathay Pacific we can promise you this and so much more. Today, we fly more people to more destinations on more flights than ever before.

And the more we grow, the more good reasons you'll find to fly Cathay Pacific.

CATHAY PACIFIC

Rubini Bangkok, Perth, Denver, Dallas, Fukuoka, Hong Kong, Jakarta, Kowloon, Kuala Lumpur, Manila, Melbourne, Nagoya, Osaka, Perth, Penang, Singapore, Sydney, Taipei, Tokyo.



570-004

Women up on nuts and bolts of local bodies

by Helen Vause

WOMEN at the top are still scarce, for all the legwork of the women's movement in the last decade. Already many a lunge for the reins of power has failed to the amusement of male competitors.

These failures have probably had more to do with strategy (or lack of it) than with any other factor.

The machinery to change this has been cranked into action, in Auckland at least.

More than 200 women recently took part in a seminar believed to be the first held to teach women the nuts and bolts of running a campaign and getting on to local bodies.

A tightly controlled factual package, it was far removed from the ideological hen sessions some cynics anticipated. It was organised jointly by Auckland Mayor Barbara Goodman, Women's Electoral Lobby chairperson Alyson Grigg and political studies lecturer Wyn Hoadley.

It was organised for women because, said Goodman, "there are many capable women who just don't know how to promote themselves for nominations".

Men were "welcome" in small print at the bottom of the publicity handouts.

"The aim was not just to find women candidates but to give a clear picture of what it takes to become a member of a local body, how to campaign, how to establish yourself in the community, and how to give

practical backing to anyone you want to support for election," the publicity said.

Wyn Hoadley, a seasoned campaigner, has independently been running a university extension course in Auckland for women interested in local government. A first-time effort, her course has been so popular that it is to be repeated.

Why just for women?

Hoadley said: "Considering all the discussion the women's movement has created, very little has really changed. It has taken far too long to arrive at a basic fact session like this seminar. If we don't train ourselves no one else will help us reach the feminist goal of equal participation in public affairs."

The information content of the seminar was high, covering the functions and powers of the Auckland Regional Authority, city and borough councils and hospital, power and harbour boards.

Speakers included women already on local bodies, administrators and a few men, including Auckland Hospital Board chairman Frank Rutter, and citizens and ratepayers spokesman Marsden Bell.

The women present were a mixed bunch in age groups and socio-economic backgrounds.

It was the morning tea breaks, though, that probably shed the most light on how women really rate their chances, what lies behind their



Barbara Goodman... no stranger to campaigns

reluctance to leap into public life.

Realists (and the organisers), acknowledged that age-old dilemma of how to be a housewife, mother and career person at once.

This might be the last generation of women to be

convinced into doing two things at once, but the seminar recognised the need to ease the burnt chop syndrome that most women still face alone.

Child care and domestic help would be realities for campaigning women.

These were considered the sobering constraints most women were still stuck with at whatever heights they rose to.

The seminar looked at all the means of practical support women could give each other at all levels of a campaign and after election.



Aussie Malcolm... answers back to hoax.

Pat Clapham is only the third woman to be elected to the ARA. She said: "It's never easy and as a woman it's absolutely essential to do your homework if you hope to convince others that your opinion is the right one."

"I'm not advocating a total eclipse of the male politician... but I believe that women do bring a different perspective," she told the seminar.

"They tend to look at finance differently. Men are used to thinking big."

"Women are often more aware of the social issues involved in the grand schemes... it's true women may lack management expertise but I have learned to ask questions."

"I find that men often don't know as much as they would like you to think they know."

Another speaker, power

board member Judith Tizard, recalled being ridiculed for suggesting the board should put out a pamphlet breaking down the cost of running various household appliances.

Not surprisingly, the pamphlet was probably remembered by Auckland householders more fondly than any other single move the board has made.

Rutter, with nine of his 14-strong board being women, believes women bring a welcome perspective.

"I believe women are as good if not better than men in answering the difficult emotional and social questions that are part of the boards' decisions."

He pointed to Auckland's successful extra-mural hospitals as a positive result of the influence of women on the hospital board.

Goodman said the seminar had been a success on all levels, and was confident the enthusiasm shown would not dissipate.

She has been mayoress for 12 years and is known to be interested in more direct participation in local or national politics.

As niece of Auckland's long-serving mayor, Sir Dove-Meyer Robinson, and wife of Harold Goodman, Barker Developments boss and Securibank liquidator, she is no stranger to election campaigns or to public life.

Her name has long been bandied about as a possible

mayoral candidate and National Party candidate for various Auckland seats.

She confirms she has considered the possibility of a nomination.

Not surprisingly, then, it was easy prey for a hoax recently. She was suspected to the pleasant tones of someone who telephoned her claiming to represent the National Party's Eden Branch. He expressed dissatisfaction with Eden's Aussie Malcolm and asked her to consider standing.

Goodman was drawn to comment unfavourably on Malcolm's local support as was quoted on the front page of the morning paper.

In the same story the approach was revealed as a hoax. Goodman was upset by the philosophical. To date, there has been no genuine approach to her from the Eden National branch.

Hoax or not, Malcolm's the opportunity to retort publicly. He was quoted in *Auckland Star*: "I know it. National Party in Eden and I know she will come to a pig and sticky end."

Should Goodman make a move into the campaign, she knows the ropes and how to get the show on the road as well as anyone.

"The seminar was a much overdue step to give women a better chance to make it in public decision-making. I want to. Men already have adequate support and systems to succeed," she said.

by Warren Berryman

WHEN the Broadcasting Corporation reformed TV One and South Pacific Television into TVNZ, the avowed aim was a 50/50 audience split between the two channels and an equalisation of advertising rates.

TV Two's prime time share dropped from a pre-TVNZ high of 40 per cent to about 32 per cent but has since climbed back to lower at about 39 per cent.

In Auckland, TV Two's traditional strong market, its audience share has dropped from 50 to 40 per cent.

Equalised advertising rates between the two channels are now further off. With "B" advertising rates at \$1400 per 30 seconds versus \$1200 for TV One, TV Two is losing advertisers in droves to the

advertiser. *Love Boat*, costs the advertiser \$56 per rating point. *Minder*, just one of TV One's highly rated programmes, costs \$47 per rating point.

The cost per rating differential in TV One's favour worsens for TV Two when comparison is made between programmes pulling lower ratings, but still sold at the "B" programme rate, and "B" programmes on TV One.

One leading media buyer said: "No one is prepared to pay the full rates on TV Two unless they are in a corner. But they will pay the full rates on TV One if time is available."

After the restructuring, TV Two began getting the ads left over after TV One had filled its schedule.

As it appears the style set

by South Pacific TV's past sales and marketing manager, Maurice Ulrich, while damned by some in Wellington, is vindicated in the light of present events.

Media buyers find that, even with the price differential between TV One and TV Two ad rates, the cost per rating point on TV One is cheaper than on TV Two for a "B" programme buy.

An "A" programme is TV One News and special spectaculars. "B" programmes are prime time top rated programmes.

An average "B" programme on TV Two, at the fixed \$1400 per 30-second rate, comes to about \$43 per rating point. A "B" programme on TV One at \$1200 costs only about \$25 per rating point.

TV Two's top rated programme, *Love Boat*, costs the advertiser \$56 per rating point. *Minder*, just one of TV One's highly rated programmes, costs \$47 per rating point.

The cost per rating differential in TV One's favour worsens for TV Two when comparison is made between programmes pulling lower ratings, but still sold at the "B" programme rate, and "B" programmes on TV One.

One leading media buyer said: "No one is prepared to pay the full rates on TV Two unless they are in a corner. But they will pay the full rates on TV One if time is available."

After the restructuring, TV Two began getting the ads left over after TV One had filled its schedule.

As it appears the style set

To compensate for its price disadvantage TV Two offered 10 spot weekend packages at about a 50 per cent discount—in spite of the fact that the weekends were TV Two's best rating times.

Then advertisers, after failing to get a spot on TV One, started shunning TV Two altogether in favour of press ads. The newspapers started having a field day.

Now TV Two is offering a similarly discounted package during the week to fill holes in its ad schedule.

Of the top 50 programmes, only 10 are on TV Two. Attempts to equalise the ratings of the two channels by shifting top rating programmes just did not work.

High-rated programmes, *All in the Family*, *Charles*, *Angels*, *Police Woman*, all dropped ratings when shifted from TV One to TV Two.

Ad agencies blame this in part on viewer loyalty to TV One, and in part on poor (or no) reception for TV Two in parts of the country.

Agencies also blame the channels for failing to cross-promote programmes, advising viewers what is on the other channel.

Agencies point to the BCNZ's growing inspection—failing to use the press and private radio to promote programmes.

When in pre-TVNZ days, TV Two brought out the American programme *Be*, Ulrich ran big ads promoting the programme in the newspapers and achieved good ratings for his advertisers.

Some agencies fear that the BCNZ might try to put McNair out of business, leaving New Zealand without

Under TVNZ, TV Two brought out the excellent series *Blind Ambition*, but did not promote it outside the Government-owned network.

This programme drew ratings of only 12 per cent.

One advertiser who bought into the programme at \$1720, said the ratings achieved justified a price of only \$500.

When the new TVNZ was to be launched, its advertising agency, Monahan Daymon and Adams, booked ads on private radio.

Too late to cancel, word came from Wellington that these ads must not run on private stations competing with the BCNZ's Government-owned media.

As a result, they were paid for but not broadcast.

Then TVNZ cut its subscription to the privately owned McNair media surveys, and decided to rely on the BCNZ surveys.

The advertising agencies prefer the McNair survey because, it covers the whole country, not just the six main centres surveyed by the BCNZ, and because McNair's seen to be independent.

The ad salesmen working for TVNZ are forbidden to buy the survey on which their ad agency clients base their media buying decisions.

McNair lost some \$70,000 when TVNZ dropped its subscriptions.

Some agencies fear that the BCNZ might try to put McNair out of business, leaving New Zealand without

an independent media survey. McNair surveys show TVNZ's peak-time audiences to be down 15 per cent on the same period last year.

McNair surveys show audience shares between TV One and TV Two to average at 68 and 32 per cent respectively.

The BCNZ surveys show audience shares to be closer to what TVNZ boss Ian Cross predicted—57 per cent to TV One and 43 per cent to TV Two. (TV Two support is mainly in the cities where its reception is best, and the BCNZ only surveys the cities).

Trouble is that few agencies take the BCNZ survey, and fewer still believe them.

All of which drives a wedge between the buyers and sellers of TVNZ's advertising.

TVNZ might be forbidden by Cross to buy the McNair surveys, but the new deals offered by TV Two reflect the results of the McNair surveys better than those of the BCNZ survey.

Cross said that both channels showed a "spectacular increase of nearly 29 per cent above April last year"—obviously trying to dispel any doubts about the success of the restructuring.

But admit point out that prime-time rates have increased by 32 per cent over that period. This, they say, leaves some doubt as to the real growth of TV advertising.

Meanwhile TVNZ's loss is the newspaper's gain.

Newspaper Advertising Bureau executive director Brian Milnes reports a 30 per cent increase in newspaper advertising revenue for the first quarter of this year over the corresponding period last year.

Newspaper advertising rates have gone up 13 per cent over that period leaving a real growth of 17 per cent.

The NAB is promoting the concept of a multi-media mix. And agency media buyers credit the NAB with a tremendous success in educating media buyers and advertisers in the benefits of spreading their advertising dollars over press and TV—breaking the fixation on TV advertising alone.

One NAB convert, Quality Packers, purveyors of Chovva Tea, dropped its failing TV

only approach and hammered the market with full-page ads in the press day after day. Its market share increased dramatically.

In an almost unprecedented display of frankness, Quality Packers laid its whole ad strategy and the results bare to the public in an issue of the NAB's paper *Nabscan*.

Increasing numbers of big national advertisers, like Quality Packers, are switching large chunks of their ad budgets out of TV.

Ad agency executives claim the hassle-filled hiatus created by the birth of TVNZ has given both them and their clients time for a rethink about how best to spend their advertising dollars.

Budgets no longer go blindly into TV alone. One agency executive said the whole TVNZ affair gave rise to a far more sophisticated approach to media buying.

TVNZ will counter the success of the NAB by creating a TV marketing division of its own. Heading this will be Alan Clark—ex-Auckland—who has been marketing for Thames TV's Northern region.

The newspapers have not been letting grass grow under their feet while TVNZ goes through its birth pangs.

A long-standing sore point between retail advertisers and members of the Newspaper Publishers Association has been that the papers refused to pay commission on retail advertising while their competitors in the electronic media did.

Now Independent Newspapers Ltd, publishers of *The Truth*, *Sunday Times*, *Sunday News*, among others, is offering a 20 per cent commission on retail advertising, breaking the longstanding NPA ban on such commissions. (INL increased its overall ad rates at the same time).

By all accounts, Cross's restructuring of TV has been good for the newspapers.

Meanwhile staff morale in TV Two is at its lowest ebb. Some staffers are beginning to wonder if TV Two won't be reduced to 6 to 10 pm broadcasting.

OCL Brings New Zealand to the world

The OCL fleet of modern container ships plays a vital part in New Zealand's import and export trade. Fast, reliable, and with substantial container capacities they provide a link with the valuable markets of the United Kingdom and the Continent. You can pick the OCL ship by the "Bay"—Botany Bay, Remuera Bay, Resolution Bay, Mairangi Bay, and others... calling regularly at New Zealand Ports.

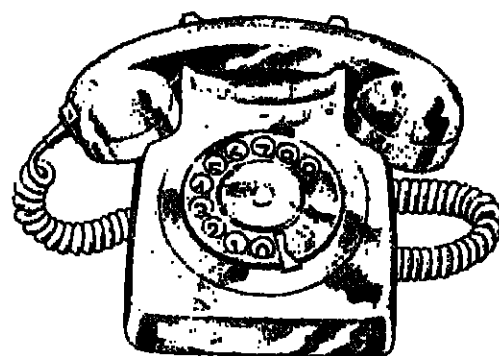
OCL
The International Trade Mark

OCL are represented throughout New Zealand by P&O SN Co.

Air Freight Headache?

27/58-139 Auckland
883-757 Wellington
583-045 Christchurch

for instant relief



Specialist airfreight forwarders

MOGAL AIRFREIGHT

(We take Care)

AUCKLAND MOGAL AIR LIMITED. P.O. Box 73036 Auckland International Airport Phone: 27/58-139 27/59-079 27/59-099 Telex: NZ21268	WELLINGTON MOGAL AIR LIMITED. P.O. Box 2985 Wellington Airport Phone: 883-757 889-536 Telex: NZ3479	CHRISTCHURCH C/- Burnip Elliot & Company P.O. Box 14060 Christchurch International Airport Phone: 583-045 Telex: NZ4780
-----------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------

Close up on television rates

by Greg Wiggs

FOLLOWING the metamorphosis of TVI and TV2 from a simple sibling relationship to a New Zealand introduced new advertising rate structure effective from April 1.

The considerable increases in the then existing rates—estimated a flurry of dire

prophecies that television might well have priced itself out of the market—had not been made against a backdrop of a completely overhauled programme setup.

By the time the new rates came into effect, there had been some experience of the new look programmes and audience data was accumulating.

As audiences settled out, it was possible to attempt a stab at the new real advertising costs.

For an evaluation of the situation, *Admark* took itself to a acknowledged expert and Kevin Blight, the former responsible for the radio function in the agency Campaign Advertising Ltd, to explain the issues involved.

Admark: We have heard and printed some critical comments on the new TV rates. Rate increases are something's way of life.

Blight: First have a look at the same. The share of audience between TVI and TV2, if you take the median over the last two years, has been in the approximate proportion of 65 to 35. In broad terms, the shares are still the same. In fact, the last 6 per cent and TV2—35 per cent. And total viewing levels for this time of the year are about the same. Certainly

there is no significant change. The declared official objective of achieving a 50/50 audience share in dual channel areas is still to be realised. What's different is that the audience proportion is TVI's 65 to TV2's 35 but the rates proportion is TVI's 53 to TV2's 47.

Admark: Does that mean that TVI provides much better value than TV2?

Blight: We have a new set of considerations. Previously on TVI the larger proportion of time was sold on rotate spots. Theoretically, each spot moved through a pre-determined sequence of positions in time from 6pm to 10pm and from Tuesday to Saturday. This meant that every spot would receive the same rotation and finish with the same average rating. Now we are buying on the basis of preferential programmes.

Let's take the top 10 programmes from a week in March and do an exercise, in preferential programme buying—very easy in retrospect. We apply the ratings in a very large consumer market—housewives—to the new rate card. We find that the cost per rating point on this scale goes from \$40 to \$51 for TVI and from \$47 to \$108 for TV2. Conclusion? TV2 in relation to TVI is grossly overpriced.

Admark: TVNZ's obvious answer to that is that TVI is under-priced.

Blight: The response of the marketplace will determine that. But let's go back to September-October last year when a 6-10pm rotate spot cost \$1420 on TVI and \$41.76 per rating point. Compare it with the situation in March this year when, if the new rates had been effective then, we could have bought a spot associated with "Close to Home" for \$1716 and arrived at a cost per

rating point of \$41.85. We are comparing values not prices and there is no great difference.

Admark: And the value depends on the programme you select?

Blight: Exactly. So we are saying that it is more difficult to buy satisfactorily now that rotates are out. Programme selection is the key.

Admark: Is that the main problem?

Blight: But not the only one. The principle behind the rate card structure based on the popularity of the programmes is a good one. But the rates need to be tuned to the ratings.

For example, the D rate on TVI is 74 per cent. But our housewives audience in peak time has varied in the surveys from a 46 rating down to 8 which means the bottom rating is only 17 per cent of the top rating. Who wants to buy 74 per cent of the audience for 17 per cent of the cost? Advertisers will buy time if the value is there.

Time unsold in certain zones means that, generally speaking, it is priced out of the market. Two things need to be done. Extend the bottom (cheaper) end of the rate card. Adjust programme costing nearer to the actual audience sizes.

Admark: And your own feelings about the new programming?

Blight: Personally, I disagree with the concept that you should use a mass medium to cater for minorities. This is a contradiction in terms. There is never any need to lower general standards to attract audiences or to aim for the lowest common denominator.

Equally, we should not have to cater for the minority audiences. For the minority to

get more, it must mean that the majority will get less.

SINCE this interview was conducted, events have verified the correctness of Kevin Blight's suggestion that "the rates should be turned to the ratings".

Television New Zealand has advised agencies that the performance of certain programmes does not justify current advertising rates and new concession rates are being offered—a possible indication of still further changes to the rate structure.

One NAB convert, Quality Packers, purveyors of Chovva Tea, dropped its failing TV

only approach and hammered the market with full-page ads in the press day after day. Its market share increased dramatically.

In an almost unprecedented display of frankness, Quality Packers laid its whole ad strategy and the results bare to the public in an issue of the NAB's paper *Nabscan*.

Increasing numbers of big national advertisers, like Quality Packers, are switching large chunks of their ad budgets out of TV.

Ad agency executives claim the hassle-filled hiatus created by the birth of TVNZ has given both them and their clients time for a rethink about how best to spend their advertising dollars.

Budgets no longer go blindly into TV alone. One agency executive said the whole TVNZ affair gave rise to a far more sophisticated approach to media buying.

TVNZ will counter the success of the NAB by creating a TV marketing division of its own. Heading this will be Alan Clark—ex-Auckland—who has been marketing for Thames TV's Northern region.

The newspapers have not been letting grass grow under their feet while TVNZ goes through its birth pangs.

A long-standing sore point between retail advertisers and members of the Newspaper Publishers Association has been that the papers refused to pay commission on retail advertising while their competitors in the electronic media did.

Now Independent Newspapers Ltd, publishers of *The Truth*, *Sunday Times*, *Sunday News*, among others, is offering a 20 per cent commission on retail advertising, breaking the longstanding NPA ban on such commissions. (INL increased its overall ad rates at the same time).

By all accounts, Cross's restructuring of TV has been good for the newspapers.

Meanwhile staff morale in TV Two is at its lowest ebb. Some staffers are beginning to wonder if TV Two won't be reduced to 6 to 10 pm broadcasting.

Are
Advertisements
for
**SENIOR
EXECUTIVES**
always
effective?

Experience suggests that the best executives do not always see or respond to senior appointment advertisements. This dictates that a more precise, positive, controlled technique is essential to locate

the most competent and successful executives. The proven technique is "Executive Search." Search does not rely solely on advertising but uses highly professional methods for locating executives with superior management skills and attributes.

To discuss how THE McDOUGALL ASSOCIATES SEARCH PROGRAMME can assist you fill senior positions most effectively, please telephone Ewen McDougall on Christchurch (03) 67-026 or write to him at P.O. Box 2398. Naturally confidences are respected.

McDougall Associates

6th Floor BNZ House, Cathedral Square, Phone 67-026,
P.O. Box 2398, Christchurch.



ANAC Ltd beams ahead in international nuclear

by Lindsey Dawson

DEEP in the heart of Silicon Valley, the area south of San Francisco that has become the centre of new American technology, you will find ANAC Incorporated.

ANAC is not your average Yankee high-tech company. It is the marketing arm of an enterprise with its roots in an unprepossessing building tucked away in Auckland's Mt Albert.

ANAC Ltd, formerly known as Auckland Nuclear Accessories, exports an average \$220,000 worth of ion beam equipment every month, and became a world leader in its field.

It began in the early 1960s, with a group of physics students at Auckland University, working on ion sources under the leadership of Professor Edward Collins. They were Hilton Glavish,

Barry MacKinnon, John Ruffell and Ian Walker. Ions, which are electrically charged atoms or molecules, were then — as now — the subject of intense research in physics laboratories around the world.

The practical results the Auckland team were achieving aroused overseas interest, and they began selling components to other labs as modules to improve the performance of research equipment.

The company was registered in 1966. By 1969 the team had to decide whether they wanted to be university researchers or full-time businessmen.

Glavish had completed his PhD and left for Stanford University, where he became a professor of physics, but remained a director of ANAC. MacKinnon, Ruffell and Walker stayed in Auckland

and concentrated on developing equipment for focussing and controlling ion beams — equipment that was much sought after for pure research work to unravel nuclear physics.

Most exporting companies work up a solid home base before venturing overseas. For ANAC the home market was virtually non-existent.

But despite the distance from international centres of nuclear research the business prospered.

By mid-1978, said Walker, "things were developing". Customers relying on ANAC know-how were returning for increasingly complex equipment as research developed world-wide and new applications for ion beams emerged.

The microprocessor era was beginning and, the ANAC team was using the new

technology to achieve electronic control systems which were vastly superior to manual operation.

Glavish left Stanford with the qualifications and the contacts to become ANAC's chief executive and the anchor man of the American company set up to market ANAC's equipment.

The company developed a three-year plan to establish what was needed to improve its manufacturing capability, and to implement those ideas.

ANAC needed finance to invest in new, expensive technology and Walker says it was not easy to explain the business and its potential to New Zealand financiers.

"We knew we'd lose money for the first 18 months, but on our side was the fact that we'd been operating successfully for eight years. Eventually we

got good support from the BNZ and Marac".

Mackinnon was transferred to California to work with Glavish, and ANAC grouped itself into three divisions — marketing, based in Santa Clara, and, at home, a technology group under Ruffell, and manufacturing under Walker.

New people were hired. Dr

Phil Kurjan — "an exceptional software man" — joined the Californian staff, and Australian businessman Jim Conroy brought in earlier as director for their financial and commercial expertise.

"Their help is critical because as technical people we don't have that essential knowledge of the business," Walker said.

Also a director is professor Willy Haeblerli, of the University of Wisconsin, an expert in ion beam applications.

"It's a lot of directors for a fairly small company, but that technical and commercial expertise gives us the base for rapid growth. We've got the knowledge and experience to draw from when we need it".

The new set-up moved into the black, within 18 months, and looks forward to a 30-50 per cent growth in the next year.

This time next year they hope to export about \$300,000 worth of equipment per month, ranging from 18-ton electromagnets for controlling ion beams to high-vacuum

technology, high current and voltage electrical systems, and sophisticated microprocessor and electronic control systems.

The firm's major customers are in America, but include Switzerland, Germany, Belgium, Britain, Japan, Argentina and Israel.

While the Californian office is ideally placed to market ANAC equipment worldwide, the company would like a base in Europe too.

Sights are set on Geneva, home of the huge Cern nuclear research laboratory which is a co-operative venture between European countries which pre-dates the EEC.

Industrial applications for ion beam technology could mean an exciting future for the company — not least in the silicon chip industry. Ion implanting machines for the manufacture of semiconductors are a big improvement over older methods of preparing silicon.

Doping materials used to be painted on top and diffused into the silicon at high temperature. The new technology means that the doping atom can be ionised, accelerated up to high speed and driven straight into the silicon.

Research is under way into methods of ion implantation of huge industrial potential which can treat metal to produce precise surface characteristics like reducing

friction, improving hardness, resisting corrosion and metal fatigue.

ANAC's New Zealand staff has grown to 70. Much of its engineering work is subcontracted, but its own staff carries out light engineering and assembly work, to exacting standards and tight deadlines.

Walker said: "It's not easy to get the skilled labour. Sometimes we have to put in an awful lot of hours very fast. We need individualistic people who work hard, and effectively. Auckland seems to have more of those sort of people than anywhere else, and fortunately they seem to find us a fairly attractive sort of company".

Until now, cyclotrons have had to be based in nuclear research centres, tended by highly qualified physicists.

An American company working on the new concept searched the world for a suitable unit and decided on a proposal put forward by ANAC.

Design work is almost complete and the firm plan is to produce the prototype next year. Its price will be around \$300,000.

Present generation cyclotrons cost upwards of \$1 million.

"We're able to reduce the size and price of this model partly through the use of new control systems, and because it's aimed very specifically for medical use," said Ian Walker.

Until now, cyclotrons have had to be based in nuclear

New ingredients in success recipe

THE chief executive of ANAC lives overseas. There is no home market to speak of and sales and manufacturing operations are separated by the Pacific Ocean.

The field is technical, and

this country is hardly known as a leader in innovative technology. It doesn't sound like a recipe for business success. But ANAC is succeeding.

"Ten years ago, if you saw a company this way, people would think you were crazy," said director Ian Walker. "But now you can do it."

"Communications are much, much easier. You can move people and high-tech equipment very easily."

"You can hook into data banks to get all the information you need to run a business, and get it exactly the same time as your competitors overseas."

"The number of consumers in New Zealand may be declining — but there's more money — why can't we treat them as people as a resource, and treat the rest of the world as your market?"

That does not mean that ANAC has it easy. It works hard to be in front in the American marketplace and to fill orders on time, to specifications and with reliable follow-up.

Distance from the marketplace is a problem, but ANAC overcomes any initial delay by using a word-processor incorporating quotation modules, so that they can deliver quotes quickly and accurately.

A facsimile machine hook-up between the two offices means that plans or diagrams can be transmitted in seconds, saving postal delays.

The company has access to local and international data banks for business and technical information, and computers take care of accounting and technical

"housekeeping". And, said Walker, ironically: "We use the phone a lot".

The company runs two workshop shifts a day, and would work 24 hours a day to reduce lead-time if necessary.

Surface shipping of large equipment can be a headache — up to six weeks from factory to customer. ANAC makes use of air freight, specially for its more expensive items.

"We don't hesitate to send 5000-kilo loads by air to the States. When they're worth \$20 to \$30 per kilo the commodity rate of \$1 per kilo is not a big factor," says Walker.

ANAC does not push itself as a Kiwi company in California.

"They may know that we're New Zealanders but you don't ram it down their throats," says Walker.

"We do our marketing in California because it's the best place to be. The Americans buy at home, and the Europeans will either buy there or in America, but they wouldn't come this far. It is essential for ANAC to operate multinationally with a department overseas".

research stakes

World first in beam control

ANAC's work in ion beam control has led to the development of a medical cyclotron which will be a world first.

Cyclotron, a type of accelerator with particles travelling in circular orbits, is used to produce radio isotopes for body scanning devices.

These can not only help doctors diagnose diseases, but are being used increasingly to ascertain how the body works.

New developments in the field have prompted the development of relatively small, easy-to-operate cyclotrons which can be run by a technician.

Until now, cyclotrons have had to be based in nuclear

research centres, tended by highly qualified physicists.

An American company working on the new concept searched the world for a suitable unit and decided on a proposal put forward by ANAC.

Design work is almost complete and the firm plan is to produce the prototype next year. Its price will be around \$300,000.

Present generation cyclotrons cost upwards of \$1 million.

"We're able to reduce the size and price of this model partly through the use of new control systems, and because it's aimed very specifically for medical use," said Ian Walker.

It's not just the style...

It's the extra services

When you join Diners Club your card becomes the key to privileges beyond those offered by mere credit cards.

Consider these. Charge any travel to your Diners Club account and your trip includes \$75,000 Personal Accident Insurance, free. Moreover, you may enrol for additional \$200,000 Flight Insurance at token cost. And of course, you have access to the Comprehensive Travel Insurance at remarkably low Club rates.

Overseas, your Card means access to emergency cash. In New Zealand it automatically qualifies you for personal loans.

For your home there are exclusive offers, including crystal, fine leather and artworks. To protect them, there's the Home Contents Insurance, again at favoured rates.

Diners Club publishes *Signature*, the country's most entertaining executive magazine. And there are members-only lounges in mid-city Auckland, Wellington and Christchurch.

With services such as these, Diners Club is way ahead of the crowd.

Not everyone can join, but if our style suits your style, apply now. You'll find application forms wherever you see this stand or the "Welcome" sign. Or ask a member-friend to refer you.

Diners Club (NZ) Limited
P.O. Box 1533, Auckland
Phone: 792-450



DINERS CLUB
The Obvious Choice



"We would all prefer DB lager — thanks."

Today's great drink.

The premium lager.

Agro-mission comes to earth in South America

by John Draper

It might have been another visit from outer space, but one that is unlikely to appear in a revised version of Albert von Deniken's *Chariot of the Gods*. Clad in white "spaceluits", New Zealand's first "Agro-mission" was at work in South America.

For some of the 30-odd farmers packed into the old milking shed, the seven-man team might have come from another planet with its equipment and programmes for boosting production.

Others, including the professors from the university farm where the demonstration was being held, were evaluating the performance against more sophisticated and expensive equipment sold by the United States.

The contrast and the competition was not lost on the New Zealand team. In a milking parlour last seen in New Zealand 30 years ago stood a modern expensive American-made milk cooling tank not yet seen in Taranaki or the Waikato.

That the team was in South America at all was less a wonder of modern technology. Months of hard work had gone into the preparation and organisation by all members but specially for organiser and mission leader Barry Marx and his company, Otentz Ltd.

"There were so many things going wrong the week before we left. I just sat back and laughed as the next disaster happened," he said.

The mission, supported by the Export Institute, claimed several firsts - the first to get a new export market development grant, the first integrated agricultural export team offering skills and products for improved herd breeding through to more efficient milking and the first team to "export" the agricultural field days concept.

Pioneering had its problems. Though planning and expenditure began last Oc-

tober only money spent from April 1 1980 was eligible for an export development grant.

Partly as a result, Otentz application was cut from \$90,000 to \$40,000 by the Department of Trade and Industry.

To qualify for grants of up to 64 per cent on some items, exporters must submit a programme following up the initial visit with further calls and market development. This includes possible representation at relevant trade fairs to ensure that the taxpayers' dollars reap a harvest of foreign exchange.

The mission was small, smaller than Marx intended. Some firms were reluctant to join a specialist mission while a last-minute dropout reduced the numbers to eight.

All but one of the firms represented were regular callers in South America and in particular, the countries the mission was visiting, Ecuador, Chile, Colombia and Venezuela.

Dairy Board representative Bob Steel would have gone to South America later this year anyway.

Joining the mission had its disadvantages, he said. It would cost more than his own individual programme, and he would visit fewer countries and fewer agents.

It was an attitude Marx was confident would change as the month-long tour progressed, as the benefits of working as an integrated team, providing the answers and means to solve many of the problems South American dairy farmers were encountering, became apparent.

Marx's own company specialises in providing the technology and systems for dairy farming and has worked for various international agencies setting up dairy projects in South-east Asia, the Middle East and the Caribbean.

Warren Cole, of Alex Harvey Industries, Johnathon Mitchell, of Frank M. Winstone, and David Barry, of



"Agro-mission" members... from left, Warren J Cole (AHI Plastic Products), Murray W Woolford (Ruakura Animal Research Centre), Barry L Marx (leader - Otentz Export Co), Roger J Payne (Ministry of Agriculture and Fisheries), David M Barry (Otentz Farm Consulting Group).

Otentz, completed the commercial end of the mission while Dr Murray Woolford, from Ruakura, added the scientific expertise and Roger Payne represented the Ministry of Agriculture and Fisheries.

Getting the team together before leaving was not easy, and was achieved for the first time in Tahiti, the venue for "four hard working days".

There, the team worked out their act, how they were going to conduct each seminar and field day. It worked fine in English. But in Latin American-Spanish, there were unexpected problems as the team found out when they touched down in South America.

Faults had been found in some translations, completed at home before the mission left. And in the early hours of the morning, immediately after arrival, the interpreters borrowed from the New Zealand Embassy found two more nonsensical speeches.

Working in two languages was to become the biggest problem of the first two days, often, with amusing results. Udders and teats in Spanish translated to breasts and nipples in English.

The first seminar drew 50 invited guests - farmers, university professors and lecturers, manufacturers and local agents.

As the first live performance it was a qualified success.

"Some trade missions would not reach this standard after a month on the road," commented Ministry of Agriculture and Fisheries representative Roger Payne.

The introductions over, it was time to show what New Zealand could do with the Department of Trade and Industry's latest film *Made in New Zealand*, with a Latin Spanish commentary.

Emphasising similarities between the New Zealand agricultural environment and that of the four nations visited, was the task allotted to Roger Payne.

New Zealand farmers were

no more fortunate than those in South America, he said. It was only by hard work and by developing specialist skills that New Zealanders had become the most efficient grassland farmers in the world.

And it was that expertise that the mission was offering.

Next up was an audio visual presentation, moving from the general dairy farming scene in New Zealand to the use of the specific products being offered by mission members.

Speeches followed, the revised translations arrived with minutes to spare - from each member - an introduction in English - only one bothered to attempt a few words in Spanish - and then the interpreters took over.

A break for the only screening of *This is New Zealand* - a National Film Unit production from an earlier decade. The expatriate in the audience smiled. The invited guests did not.

More speeches and then question time. The polish and

proficiency of the last two hours vanished.

There were inevitable misunderstandings as the team lacked the experience of working through interpreters, particularly as the questions became highly technical.

The audience drifted to another room for coffee, disappointed their searching questions had failed to elicit satisfactory answers, was not the team's fault - of the questions were few, their particular fields of expertise.

Roger Payne diplomatically fended off a question about fertiliser subsidies in New Zealand as not relevant to South America. The night was not over.

Equipment had to be packed, three tonnes were freighted plus some hundred kilos of equipment, displays, printed Spanish disinfected bottles, late dinner and team discussion.

The programme was polished. Three hours of work, but detailed discussion was deferred for the journey next evening after the first field day.

The coach arrived at 7 for a two-hour ride to demonstration farm. The event was set up as the invited farmers' demand was high.

At one venue, at least, were eager to attend.

The demonstration dairy showed up the advantages of the New Zealand products.

A mastitis test produced positive results, to the delight of the university's farm manager and the delight of the audience. Mitchell, Frank Winstone's representative.

The team work members went there on a day at most venues: month-long itinerary to existing or find new agents or follow contacts to earn the dollars to pay expenses.

Gloom-boom for US books

by Gordon McLaughlin

AMERICAN surveys indicate that more people read books than ever before. But unit sales are static after creeping up during 1978 and 1979.

Library loans are soaring - but sales to libraries are down because funding has been slashed as a result of the anti-recession bill which has swept the United States for the last two years.

American Booksellers' Association executive Robert Hales says these comments on the gloom-boom of the book trade are the result of the annual conference of the booksellers' Association in Kansas.

Hale and hearty, the Americans were a bit with many fast and funny phrases, but the salesmen's laughter seldom faded as he told them what was happening to the trade.

It comes from, events can reasonably be expected to bound this way.

Hale told the story of a small affluent city on the East coast with a waiting list of more than 100 at the local library for a novel that was not long as well as expected. The library had three copies.

The big discount chains are selling pop books by the dozens through heavy reduction, often, ludicrously, prices higher than those at small independent shops. Their advertising is such they can get away with it.

Independents all over the country have closed some of their doors after many years of trading by offering a strong personal touch.

Another result is increased secondhand trade, and in some cases the independents have moved secondhand departments with some success.

A phenomenon of the book trade is that the new best-sellers cannot approach the

sales score of blockbusters of 1978. Michener's *Chesapeake* and Wouk's *War and Remembrance* sold more in 1979 than the top six books published that year.

To which one conference wit muttered: "It would take you two years to read either *Chesapeake* or *War and Remembrance* anyway, so contemporary sales might adjust this year".

Hale said *The Thorn Birds* - that commercial miracle by Australian Colleen McCullough - sold an extraordinary 7.57 million copies in paperback last year, more than two years after publication, and is still selling in hard covers as well.

(McCullough, by the way, is living alone in a country house in Australia trying to give birth to another novel, depressed by the knowledge that in terms of sales she has nowhere to go but downwards after *The Thorn Birds*).

Booksales here are slow but reportedly not too disastrous. Hales spoke volumes of despair about the business in the United States.

Mary Martin off market

THE Mary Martin Bookshop in Lorne Street, Auckland, closed after 2½ years of trade in a very individual, up-market, cut-price range of stock, called from publishers round the world.

The range will be offered to booksellers throughout the country through a new company, New Zealand Book Wholesalers.

Andrew Brookes, manager of the Mary Martin shop throughout its existence, will sell nationally for Book Wholesalers.

Mary Martin Bookshops Pty Ltd was started in Australia by hard-case journalist and broadcaster Max Harris, who roamed the world picking up bargains from publishers -

mainly books above the popular level of the market - and sold them at heavily cut prices through his six shops in five Australian cities.

Harris was bought out by the publishing multi-national Macmillan. He still buys on world-ranging trips.

The shop here opened in November 1977 to a storm of protest from orthodox booksellers, and some publishers, worried about the low prices for expensive books which would somehow find their way into Mary Martin stock.

Harris occasionally managed to pull off special deals with new books, such as *The Annotated Shakespeare* by A L Rowse. His limited supply sold in Australia (and a few through Mary Martin in Auckland) at just over half the full retail price.

The shop gradually became accepted in the Auckland market and even stocked some new books from local publishers and some remainder books picked up from local remainder sources.

The decision, taken in

Australia, to close the Auckland outlet, has not specifically been given. The feeling is that turnover here never matched the kind of performance of the Australian shops. The plan is to increase the volume of sales by regularly offering stock to any New Zealand bookseller who wants to buy. How many will be able to swallow their antipathy, and keep it down, remains to be seen.

Before the shop closed in late April, there was a sale with some staggering prices - 50 per cent off some books already marked well below the full retail price.

Bibliophiles will regret the passing of a bookshop in Auckland with such a distinctive stock - but it may not be for long.

Brookes said he and his wife will soon open a shop to feature the Mary Martin range. Where? "In book sellers' row," says Brookes referring to the High Street/Lorne Street/Victoria Street East region of the central city which now has nine new or second-

hand shops within 100 yards, and backs onto the city block in which Whitcoulls resides.

Literary agency survives well

NEW ZEALAND's first literary agency has survived its first couple of years and expanded.

Former publisher at A H and A W Reed Ltd, Ray Richards, has more than 80 authors and aspiring writers among his clients.

He has now formed the Butler/Richards Agency with Auckland bookseller Dorothy Butler to act for authors and illustrators of books for children and young people.

Butler, a specialist retailer of children's books on Auckland's North Shore, is an accomplished writer herself. The two agencies offer independent advice to local writers and a measure of protection from publishers with unorthodox contracts.

They put the best construction on unworldly arrange-

ments entered into by some writers who badly wanted to be published.

Richards will be involved in a new novel by Wellingtonian Fiona Kidman, tentatively titled *Mandarin Summer*. Kidman's *A Breed of Women* did well last year.

An Auckland schoolteacher, Graeme Lay, made an impression with his first novel, *The Mentor*, and has another coming up soon: *High-Rise*.

Typographer, poet and humorist Dennis Glover is revising his *Hot Water Sailor*, published after the Second World War, and has added some new material to bring out *Landlubber Ho!*

A book I am specially looking forward to is *Chung-Ho* a full-scale biography of Kewi Alley, expatriate New Zealand in China for 50 years, by a former *Listener* writer Geoff Chapple.

A member of the Phase Three Films team that spent a couple of months in China with Alley last year, Chapple is a compelling writer with wide-angled perceptions

Meet one of the Mighty Freezer Fleet

At the end of the run, he'll be needing a break. But the goods in the refrigerated compartment will arrive in top condition. As fresh as the moment they were loaded. And that's because the guy up front looked after the goods in the back.

If your produce demands the care which the goods in the back need, call Modern Freighters for a no obligation quote on the alternative... and set the wheels in motion.

MODERN FREIGHTERS LTD.
Phone: 85-017, Levin. 44-733 Chesham, 84-471 Papakurae

We deliver the goods

If you've ever been in an egg and spoon race, you'll know just how hard it is to keep up speed and yet maintain balance. This bloke's been doing the same sort of thing for a good many of their 44 refrigerated trucks years. Driving one of their 44 refrigerated trucks from Invercargill to Levin. And balancing 20 tons of top quality perishables around the treacherous Kaikoura Coast is no mean feat. Although he knows the roads like the back of his hand, he sets a pace that's safe. Yet whatever you want, wherever you want it, from North Cape to Bluff, just state a deadline. And it's a sure bet that he'll deliver the goods on time. Everytime.

RICHARDSON-MERRELL LTD.

Warehousing Required

Richardson-Merrell Limited, an International Pharmaceutical Company, wishes to establish a national distribution system to food and pharmacy outlets based on warehousing facilities in Auckland, Wellington and Christchurch. We would envisage sharing either new or existing premises with food/pharmaceutical companies which have excess space or wish to expand.

We do not preclude companies which have facilities in only one or two of the three areas. We require approximately 5,000 square feet in Auckland and 3,000 square feet in Wellington and Christchurch.

For further details, please reply to:-

Richardson-Merrell Limited,
P.O. Box 5861,
Telephone: 33-829,
Auckland.
Attention: Mr A.W. Thomas.

Westinghouse ASD

OPEN OFFICE SYSTEM

MAKING MORE PEOPLE MORE PRODUCTIVE IN LESS SPACE AT LOWER COST

With the Westinghouse open office system you can

- save up to 97% on the cost of re-doing your offices
- save up to 16% on the amount of floor space required and a corresponding savings in rent
- save up to 50% on the cost of lighting energy.

WE WOULD LIKE TO TELL YOU THE WHOLE STORY

WESTINGHOUSE - puts it all together - beautifully

cemac

MAKING THE FUTURE NOW

AUCKLAND 09/766175 WELLINGTON 04/663937 CHRISTCHURCH 03/60571

The latest, most comprehensive research of its kind in New Zealand.

During the last five years *National Business Review* has commissioned the Haylen Research Centre to conduct five major studies of the business press in New Zealand.

The results of the two most recent surveys are contained in the just published report (*The business press in New Zealand*).

For your free copy of this valuable research report simply fill in and post the coupon below.

National Business Review
P.O. Box 9344
Wellington

Please send me/us a copy of *The business press in New Zealand*.

Name.....

Company.....

Position in Company.....

Address.....



Cressida.

Toyota announces a rare car.

Cressida combines technology that is uniquely Toyota, with luxury that success deserves.

Here is more sheer comfort and prestige than one might reasonably expect.

A quick two litre engine gives you thrust without thirst—a very responsible consideration for thinking owners.

The instrument display includes, amongst other uncommon delights, a quartz crystal clock and fully integrated cassette stereo.

The front seats are infinitely adjustable,—and the driver's seat embodies a lumbar support zone which you adjust to gently ease lower back fatigue.

And because Toyota make the Cressida, all this luxury is on top of quality.

Not instead.

Cressida.

At the moment 5 speed manual \$12,000 and automatic \$12,500.

TOYOTA
Ahead in the 80's.

Hydrogen possibilities run the full gamut

by John Forbis

ONE of the fondest dreams of civilised people — a source of cheap, inexhaustible, clean and self-replenishing energy — might be about to come true. Imagine a working combination of sunlight, the most prevalent source of energy, and water, the most abundant substance, to produce fuel. The implications are staggering.

It would not be quite as simple as filling your car's tank from the garden hose but, if

some experts are correct, we are on the brink of a breakthrough in fuel technology which could revolutionise the modern world.

Recently, the American magazine *Business Week* reported on new developments in research into hydrogen as a fuel.

Hydrogen makes up two-thirds of water and in a free state burns with a bright, hot, pollution-free flame, quite suitable for cooking, powering cars, running machinery, firing boilers and so on. It is

simpler and safer to store and transport than conventional forms of energy.

This has been common knowledge for many years, but progress in the field has been agonisingly slow. The stumbling block in converting hydrogen to a fuel has been cost. It requires more energy to free hydrogen from water or natural gas than can be regained from hydrogen as a fuel.

Over the years some "nuts" have come up with an invention which will run cars on

water. Scientists realise it is possible, by freezing hydrogen and burning it in the engine. In light of recent research developments, it seems as if the "nuts" might be vindicated after all.

Recently, an American firm announced a contract to supply hydrogen fuel at a cost of about 50 cents per gallon, considerably cheaper than gasoline.

Researchers now maintain that methods under development can further cut that cost. The new technology in-

volves the use of solar power to split the hydrogen molecule from water. "We're using a source of energy that costs us nothing," said a researcher at California Institute of Technology.

Caltech are one of many laboratories around the world exploring the realm of hydrogen technology... and there are just about as many variations on the theme.

Sun-power is the key. With free and limitless energy charging solar cells immersed in water, production of pure

hydrogen becomes an economic proposition for the first time.

European researchers are working with catalytic substances which they believe will augment the solar power and produce a simpler and cheaper means of separation. A member of the research team at the University of Strasbourg comments that the work "could take two days, but may take 10 years".

Scientists around the world are jumping on the hydrogen bandwagon — the wagon is certainly rolling along. Caltech has a \$12 million budget for hydrogen research. Texaco Instruments earmarks \$1 million. General Electric, Westinghouse, Du Pont and Bell Telephone Laboratories are examples of the industrial behemoths presently testing the water, so to speak.

Once the techniques are refined and sorted out, hydrogen fuel could totally solve the world's energy problems and almost overnight

The gas burns clean and the only by-product of the combustion is water. Conversion of machinery to burn hydrogen is not a problem. Most any standard gas-burning, heat-exchange appliance, internal combustion engine, could be modified for hydrogen.

Given the breakthrough which many researchers believe will come "in the near future", it is exciting to forecast a hydrogen energy future. A solar converter on every rooftop piping in the fuel for heat, cooking, refrigeration and perhaps lighting; a family car which runs for less than one cent a mile; an end to smog in the cities; an era of non-polluting industrial plants; and no energy shortages.

Philosophically, the hydrogen technology promises to bring the human race back to nature once again by converting those two natural elements, sunlight and water, directly into useful energy — a process analogous to photosynthesis in plants.

But one American Energy Department official does caution: "This is a field fraught with false breakthroughs". And, another warns: "We don't want to be like the nuclear power people who built up expectations that could not be fulfilled".

SALARY INCREASES SLOW

"In the twelve months ended March 1980 average basic before tax salaries in New Zealand rose by approximately 17.7%, slightly less than in the previous year. This is one finding in the latest PA Greenwood Salary Survey just released.

In the same twelve months the Consumer Price Index rose by 18.4%. This implies a reduction in the real level of before tax salaries, of just over 5%.

Rewards for skill and responsibility are narrowing. This is a reversal of the situation in the year ended September 1979 when there was a slightly faster rate of growth of salaries of Top and Senior Executives.

Further information on the survey is on Page 4 of this issue.

A cheaper way to get coal to its markets

by Bob Sott

"BICYCLES and rowboats" is said to be the answer given by a senior transport man who some years ago had to sit through yet another interminable discussion about a "lean resource cost" transport link between Wellington and Christchurch.

That remark — no doubt made in some exasperation — highlights the fact that we often get hung up on the cost of transport and lose sight of the need to provide a service regardless of cost, but at some times running second to convenience, speed and other qualities.

But the same time, we can go back and plan grandiose transport schemes when "bicycles and rowboats" is well all that is needed.

And with due respect to the people who have prepared a scheme costing \$100 million for a new breakwater port at Greymouth to handle

port coal, something closer "bicycles and rowboats" is all that would be necessary to get the coal off the ground... maybe all that will ever be necessary.

The Government is studying four port proposals to the West Coast coal for export — a breakwater harbour at Point Elizabeth just north of Greymouth (the \$100 million scheme), a deep-sea port near Westport and a floating type off-shore mooring system from either Greymouth or Westport.

A fifth option — nowhere near dramatic, which would be almost nothing in capital outlay and not a great deal in operating costs — would be to rail coal from the West Coast to Lyttelton. This "bicycles and rowboats" scheme has been overlooked by the new port proposals, but has its attractions.

The Point Elizabeth scheme would involve construction of 200 metres of breakwaters, and require some 2.8 million cubic metres of fill. The area enclosed would be 350 hectares of harbour and 75 hectares of new reclaimed land.

The Napahoe branchline could be extended to the new port and new roading would be needed.

In the short term the port would have to handle 500,000 tonnes of Mount Davey export coal a year.

Shifting 500,000 tonnes of coal by rail through to Lyttelton.

The average salary of a Chief Executive in New Zealand ranges from a low in one industry group of \$26,920 to a high of \$33,230. This is a net difference in salary of over \$6,000 for what is essentially the same task with the same responsibilities.

Similar gaps can be seen in middle and junior management positions. For example, the range of salaries for a National Sales Manager is from \$19,610 to \$28,450.

Further information on the survey is on Page 4 of this issue.

ton, Timaru or both would require 33,334 wagons a year. (A standard high-side LC class railway wagon carries 15 tonnes).

Moving the coal only on weekdays, not weekends or public holidays, would involve 260 days, or 128.2 wagons a day (to be conservative, we'll call that 129 wagons each weekday).

Each 15-tonne wagon weighs 6.5 tonnes empty, giving a total laden weight of 21.5 tonnes, for each of the 129 wagons, a total load of 2773 tonnes.

Divided by three, that figure equals three 924.5 tonnes trains a day — plus a guard's van, bringing the total to around 950 tonnes on each train.

If we assume that a conservative four trains are necessary (two in transit, one loaded and one empty plus one at each end loading or discharging), then 516 wagons are needed.

There is a surplus of high-side wagons — the ones in demand today are flat-tops and box wagons — and the locomotives needed might well be able to be found too.

In passing, it can be noted that several electric locomotives used on Wellington suburban trains will be redundant when the new multiple unit trains arrive next year, so these could be sent to Oira for the electrified section through the tunnel there if the existing Oira electric were unable to cope.

Bins for storage and loading of coal will be needed on the West Coast no matter what (work is starting on new bins at Ngakawau).

At the other end of the run, the port of Lyttelton has a loading facility which would appear to be entirely suitable for coal traffic.

So overall, there would be little capital expenditure involved in handling 500,000 tonnes of coal a year via rail and Lyttelton.

Even if coal exports from the coast doubled, as the port proponents hope, there would still be only half a dozen trains a day over the railway — although at that stage purpose-built high-capacity bogie coal wagons such as those carting coal from the Waikato fields to the steel works at Mission Bush and which offer easier loading and unloading and a better tare/load ratio would no doubt be warranted.

Some additional locomotives would also become necessary.

Carting coal to Lyttelton would guarantee the future of the Christchurch-Greymouth rail link, at last reports (see the discussion paper *Time for Change*) running at a financial shortfall of \$7 million a year.

The \$100 million Point Elizabeth harbour project (does this cost include ancillary equipment like an office, staff amenities and perhaps a tug and pilot launch?) would have annual charges of say \$10.6 million, a conservative figure for a \$100 million installation.

Meeting those annual charges from coal traffic only, based at 500,000 tonnes a year, would require a levy of \$21.20 a tonne. To that must be added the cost of actually working the port and loading the coal.

Reports from Greymouth suggest that the cargo potential of the new port could be \$5

million annually, leaving a shortfall of more than that sum on annual charges alone... ignoring operating costs.

If the cost was to ask for a \$3m. lion subsidy for the port, and if the port was to be developed to take coastal traffic like coal, forest products and so on, is there any justification for retaining the \$7 million a year railway link?

Surely it would make sense to settle on either a port or rail way, not both.

The issue of the Greymouth *Evening Star* which reported on the Point Elizabeth port proposal also reported that 3000 tonnes of softwood chips and 20,000 tonnes of bird beech chips "at present being wasted" would probably be available for export if the port was built.

The story quoted a Forest Service official who said the wood involved was mill residue which "would probably

be unavailable unless there is an export port, transport to Lyttelton being too costly".

The 70,000 tonnes of chips equals 18 rail wagon loads a day, a traffic which could be handled by existing West Coast-Christchurch trains at almost no extra cost... just hang a few wagons of chips on every train leaving the coast and the job's done.

On the face of it, if the chips can't stand the cost of rail transport through to Lyttelton they won't stand the cost of being shipped out through a port which will cost \$100 million, have annual charges of \$10.6 million and unknown (at this stage) operating costs.

Then again, perhaps the cost of the harbour isn't being taken into account, even though someone's going to pay for it.

There may be other objections to a new port which must rely heavily on only one commodity. For instance, are long-term contracts for coal supply forthcoming? And by long-term what would be desirable would be arrangements extending over decades rather than years.

The alternatives for shipping out from the West Coast — mooring buoys similar to those used for the North Island's west coast iron sands exports — might well prove cheaper even than rail.

The Point Elizabeth scheme is put forward as an idea — the Greymouth Harbour Board wants the idea discussed as a concept.

Hopefully the studies under way for the Government will clearly show the best way to carry coal exports, and not simply the best site on the West Coast for a new port.

With the economy as it is, "bicycles and rowboats" is the right end of the scale at which to start looking for a solution.

commodity. For instance, are long-term contracts for coal supply forthcoming? And by long-term what would be desirable would be arrangements extending over decades rather than years.

The alternatives for shipping out from the West Coast — mooring buoys similar to those used for the North Island's west coast iron sands exports — might well prove cheaper even than rail.

The Point Elizabeth scheme is put forward as an idea — the Greymouth Harbour Board wants the idea discussed as a concept.

Hopefully the studies under way for the Government will clearly show the best way to carry coal exports, and not simply the best site on the West Coast for a new port.

With the economy as it is, "bicycles and rowboats" is the right end of the scale at which to start looking for a solution.

commodity. For instance, are long-term contracts for coal supply forthcoming? And by long-term what would be desirable would be arrangements extending over decades rather than years.

The alternatives for shipping out from the West Coast — mooring buoys similar to those used for the North Island's west coast iron sands exports — might well prove cheaper even than rail.

The Point Elizabeth scheme is put forward as an idea — the Greymouth Harbour Board wants the idea discussed as a concept.

Hopefully the studies under way for the Government will clearly show the best way to carry coal exports, and not simply the best site on the West Coast for a new port.

With the economy as it is, "bicycles and rowboats" is the right end of the scale at which to start looking for a solution.

commodity. For instance, are long-term contracts for coal supply forthcoming? And by long-term what would be desirable would be arrangements extending over decades rather than years.

The alternatives for shipping out from the West Coast — mooring buoys similar to those used for the North Island's west coast iron sands exports — might well prove cheaper even than rail.

The Point Elizabeth scheme is put forward as an idea — the Greymouth Harbour Board wants the idea discussed as a concept.

Hopefully the studies under way for the Government will clearly show the best way to carry coal exports, and not simply the best site on the West Coast for a new port.

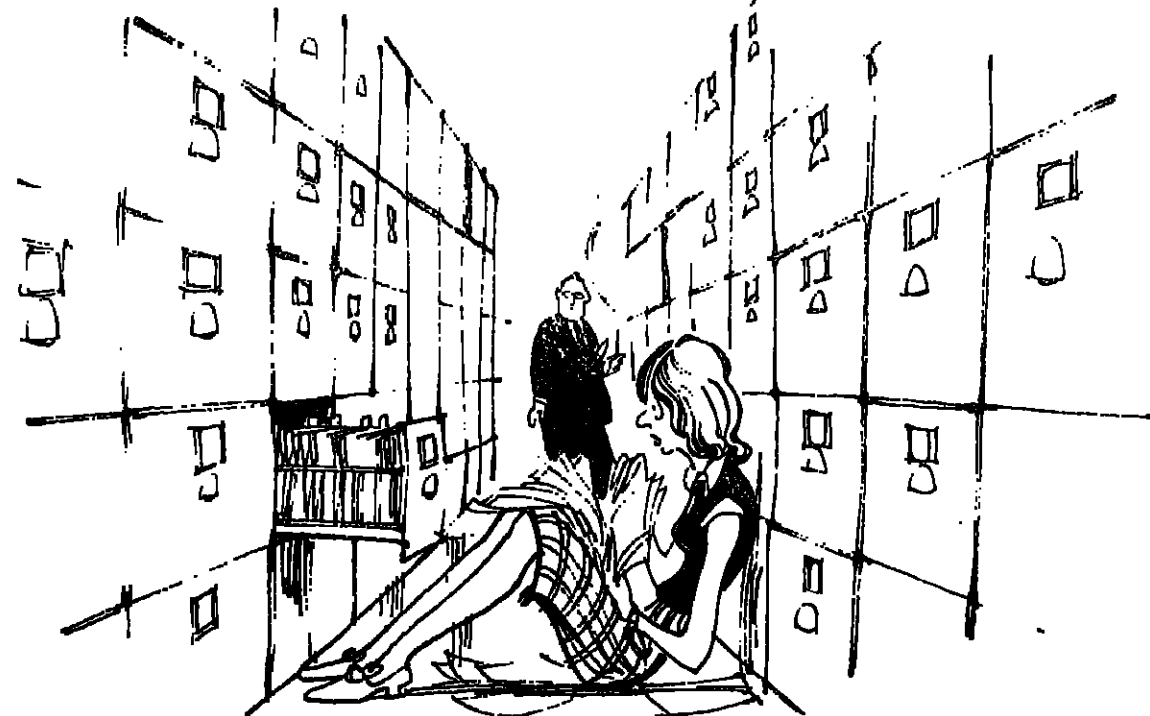
With the economy as it is, "bicycles and rowboats" is the right end of the scale at which to start looking for a solution.

commodity. For instance, are long-term contracts for coal supply forthcoming? And by long-term what would be desirable would be arrangements extending over decades rather than years.

The alternatives for shipping out from the West Coast — mooring buoys similar to those used for the North Island's west coast iron sands exports — might well prove cheaper even than rail.

The Point Elizabeth scheme is put forward as an idea — the Greymouth Harbour Board wants the idea discussed as a concept.

Filing wasting your precious office time?



Cut it out

Microfile Manager
P.O. Box 3249
WELLINGTON.

P.O. Box 4185
AUCKLAND.

Please send me your free introduction to MICROFILE and how it will dramatically cut the cost and space I now devote to information storage.

Name: _____

Company: _____

Address: _____

Now you can fit 270 computer print out pages on a piece of film not much larger than the coupon above.

We call it COM Computer Output Microfilm. It's a very simple process with a very simple aim: to cut your information storage space by up to 98% and drastically slash your printing and storage costs.

We know because we're New Zealand's leading COM Company



MICROFILE
A DIVISION OF CHARTERED ACCOUNTANTS

GET ALL THE INFORMATION YOU NEED ABOUT COMPUTERS AT ONE STOP.

No other stop makes as much sense. You've got a choice of a whole family of reliable computers from \$100 computers-on-a-chip to \$1,000,000 multi-programming networks. The knowledge

that there are 60,000 Data General computers installed in 33 countries. And our promise to keep a steady flow of quality, low-cost products coming. Mail the coupon for more information.

Mail to: Data General New Zealand Limited, P.O. Box 9735, Wellington.

Your ad stopped me. Send the brochures I've circled.

Brochure numbers: 1 2 3 4 5 6 7 8 9 10

Name _____

Title _____

Company _____

Tel. _____

Address _____

P/code _____

City _____

State _____

Data General

We make computers that make sense.

Data General New Zealand Limited, 240 Leed, Whitmore City Centre, Pinner Lane, Wellington.
P.O. Box 9735 Wellington, N.Z. Telephone (04) 735 099 Telex NZ21701
2nd Floor, Asia Life Building, 30-32, Victoria Street, Auckland, N.Z. Telephone (09) 30-294 Telex NZ21795
P.O. Box 14-204 Christchurch, N.Z. Telephone (3) 499-005

Aviation technicians' strike threat sets scene

by Ann Taylor

AVIATION technicians threatened strike action sets the scene for the impending debate on the introduction of "new technology".

The action has been deflected by the formation of a working party of State Services Commission, Public Services Association and Ministry of Transport officials to investigate the situation.

Civil aviation telecommunications technicians said they would refuse to service non-commissioned new equipment unless the SSC allowed them to service the new AFTN (Aviation Fixed Telecommunications Network) scheduled to come on-stream in August.

The SSC has a traditional policy of using the vendor or vendor's arrangements to maintain its computers. It ex-

ercises a preference for private-sector interests.

Standard Telephones and Cables' successful sale of AFTN to the SSC left the company in the running for the maintenance contract.

The technicians agree that more skilled work is required on the AFTN but maintain they should be retained.

They want to be retained particularly in the software programming area, where faults outside STC's maintenance contract might occur.

The technicians were offended by the implied slur on their ability to handle the new equipment, said the group's PSA representative, Dennis Asher.

Thirteen of the 15 technicians employed on existing equipment could have other jobs in aviation, but two would have been left out in the cold.

Although a strike action has been deferred, the heads of agreement reached by the technicians, PSA and the SSC and the formation of the working party are only a stop-gap measure and simply deferred strike action, said Asher.

The SSC remains opposed to the proposal that "A training programme at MOT's expense in the skills required for the full servicing of all components of the AFTN computer system being installed."

But the threatened strike, the first to be entirely related to the introduction of "new technology" in New Zealand, has been deflected by the SSC's agreement to negotiate the following heads of agreement by June 30.

These aspects of the agreement might be the forerunner of many such negotia-

tions over the next few years:

- PSA participation in a fact-finding basis in the SSC/MOT working party to review MOT's future telecommunications technicians requirements;

- Agreement that, as a general principle, every effort will be made to place in suitable alternative employment persons displaced as a result of the introduction by MOT of new technology;

- A long-term MOT-funded retraining programme, including salary maintenance for civil aviation telecommunications technicians whose jobs and skills are changed, but not eliminated by the modernisation programme;

- A redeployment package within the public service for other telecommunications technicians who are not

required or are not considered suitable for retraining in MOT telecommunications;

- Pay negotiations in terms of the State Services Conditions of Employment Act 1977 covering, as appropriate, new salary rates, allowances and rating payments for new skills and responsibilities flowing from introduction of new technology;

- New health and safety standards as and if appropriate;

- Prior notification to the association and the telecom-

munication technicians of introduction of any further new technology or significant new equipment;

- Involvement by telecommunications technicians in the proposed organisation and structure of any new work in the modernisation programme.

The working party has already looked at the situation in Wellington and Auckland. It has yet to investigate Christchurch, MOT's Wellington head office and major airports like Ohakea.

Bolger deflates job-loss argument

DEFLATING the job-loss argument, Labour Minister Jim Bolger said seminars and conferences on the "new technology" might become one of the great growth industries of the 1980s.

Opening "Picking up the chips - the microprocessor challenge in New Zealand", a seminar attended by 350 people at Victoria University early this month, Bolger's address continued in an optimistic and laudatory fashion.

"New technology will be a key to faster economic growth and the production of a wider diversity of products and services which will create job opportunities", he said before outlining the methods of introduction he would like to see here.

He identified three possible strategies that New Zealand might adopt in response to the impact of technological change.

The first, a mechanism to control the rate of introduction and criteria which match national priorities and have union and industry agreement, implied an elaborate and slow procedure which would "lead to slower investment, slower economic growth and loss of international competitiveness."

"It also implies a capacity for detailed planning in this area which I don't believe exists," Bolger said.

The *laissez-faire* approach implied a "disinterest by Government... which is incorrect".

Bolger preferred a third approach - "one that contains an element of compromise."

"It would seek to minimise the adverse effects of technological change by positive action, rather than negative controls," he said.

"It would foster employment growth and ease the adaptations necessary in the labour market... It would require the promotion of innovation by encouraging investment and developing employment awareness of opportunities presented by modern technology."

"This approach is the most appealing, given that the primary objective of policy is to encourage the productive investment needed to maintain international competitiveness."

Bolger warned against the hindrance posed by lack of enterprise by employers and/or unco-operative attitudes by employees.

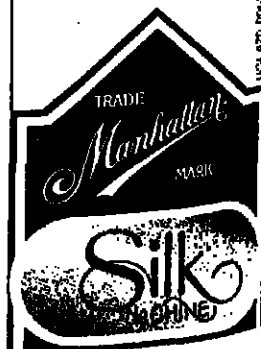
The Labour Party appears to be heading in a different policy direction with regard to the "new technology."

Remit 11c at the party's annual conference stated the Labour Government would ensure that the financial

benefits from the introduction of new technology were controlled by the community, not by the private sector.

YOUR SILK de CHINE STOCKISTS ARE:

AUCKLAND
Kirkpatrick & Stevens
David Armstrongs
Farmers Trading Co. & Branches
Leo O'Malley's
Smith & Caughy
Gentry Menswear
Jack Langlands
Mark Richards
HAMILTON
David Thomas
Meltzer Ltd
MORRINSVILLE
Buddy's Menswear
TAURANGA
Paul O'Brien
TE AWAMUTU
Pat Stephens
ROTORUA
Kessing
Hugh O'Flaherty
NAPIER
J. C. Macky
Alexanders
HASTINGS
H. B. Poppelwell & Branches
Blackmores
NEW PLYMOUTH
Kingsway Menswear
PALMERSTON NORTH
Miller & Giorge
D.I.C.
Henry Fredricks
Manhattan
P.D.C.
WELLINGTON
Frank Petrie
Hope Bros
D.I.C.
Salvis
NELSON
Don McLean
CHRISTCHURCH
Haywrights
Vance Vivian
Symon & Lowther
Columbus & Ware
Deans Menswear
DUNEDIN
D.I.C.
Alex Campbell
INVERCARGILL
A. J. Boulton
Georges Menswear



Tool that fired the fax of Muldoon's stomping

by Peter Isaac

FACSIMILE transmission had the best endorsement of all - it helped a party win a general election. But commercially, the market remains cautious.

Facsimile transmission was a key office products tool - in the National Party's 1975 landslide.

Prime Minister-to-be Robert Muldoon used it so that facsimile press clippings were beamed to him throughout the country, wherever he travelled.

Even in Taumaranui, he loved picture-clippings of guides from all the papers. The important thing was that the picture, and the prominent given the report, were submitted.

The Labour Party did not have a photocopier at the time in its Auckland headquarters.

Facsimile transmission means sending a copy of a document from one place to another over a telephone line. The technology has existed for almost a half a century. Its first, and major application, is in sending newspaper "wire" photographs.

Fax comes into its own with the transmission of documents and diagrams when the layout of the document is as important as the information it contains.

NZR uses it for transmitting freight documents. Constructors use it for plans and diagrams.

International management guru Peter Drucker believes that fax has made the postal service logistics behind transporting a gram of ink under the stamp/paper delivery system hopelessly outdated.

There are no more than 400 facsimile machines in use



Rob Muldoon... beamed press clippings

here, most of them from Rank Xerox, the people who gave Muldoon his edge on electioneering information.

Why has facsimile transmission been so muted? The answer is that fax from the

outset became totally overwhelmed by the small computer.

Firms that might have been in the market for fax were busy scrapping all their cash together to buy a computer. Fax came

far down the line - especially as, like a computer, there is a 50 per cent in penalty taxes and duties to pay on it.

An office can equip itself with a general purpose fax set up for less than a computer feasibility survey. The Rank Xerox 400 for example sells for a mere \$1700.

It can transmit one A4 page every two minutes. An executive can have a talk over the phone long distance and then within the minimum charge time frame, send out a page of A4 information.

One of the problems with fax, as with so many office procedures in New Zealand has been the horror of working after office hours. A sensible way to use fax is for one person to stay on and transmit all documentation on the Post Office's night rates.

Rank Xerox is standing by now to launch its latest fax device that will double transmission speed to an A4 page in under a minute.

At the same time, Rank Xerox finds itself competing with itself to some degree as it promotes its own Xerox 850 word processor that transmits information character-by-character and station-to-station. It will not transmit photos, documents, and diagrams.

Fax poses a threat to the courier industry, specially in transmission of advertising agency mock-ups, and architectural plans.

At one stage it seemed that fax would pose a problem for the telex - but the word processor cut in instead.

The market shift now seems to be toward networking fax, so that common users can use it in much the same way as they use a telex today, but shuttling images around.

Participating in growth

BUSINESS equipment industry growth worldwide might overhaul the energy industry in terms of gross turnover before the end of this century.

How can New Zealand participate as a producer rather than a consumer?

There are two powerful reasons why nothing more complex than office furniture is made or assembled here.

The first is the small local market and the second is the high cost of production.

The small local market problem remains, but production costs are tumbling along with GNP in relation to other countries - potentially overcoming the second problem.

The biggest locally-owned company involved in business equipment production is Forest Products with a controlling interest in the OTC company which specialises in the Rolocan filing system which has enjoyed some success on the export market.

The biggest company involved exclusively with business equipment here is of course IBM. This company has a medium size reconditioning centre at Naenae which services components for subsidiary companies in South East Asia.

Medium to high technology business equipment manufacture here has a market leader in the small Auckland firm, Integrated Circuitry, which makes almost complete communications modems for the Australian Datacraft company.

The State is doing its bit to push the country into upstream manufacturing through the Development Finance Corporation which has unstintingly pumped cash into three or four very small companies trying to get a foothold into the market.

Two years ago Computer Consultants mooted a scheme to manufacture terminals here, but it never got past the talking stage. Terrified importers suddenly saw their huge penalty tax burdens

zoom even further skyward to protect a fledgling local industry.

The largest manufacturer of medium to high technology business equipment is the Marton firm, Production Engineering, which has been successful overseas with its digital measurement systems. The company was invited to tender for the huge TAB terminal contract.

Endless squabbling over the NATI agreement appears to be working against the most economic New Zealand upstream manufacturing opportunity - namely, a component supply industry such as the one run here by the Ford Motor Co.

Lurking behind the issue is the inevitable question of protection at a time when nominally the Government has committed itself to cutting loose from offspring that refuse to grow up and walk of their own accord.

In Britain, the sword of the Thatcher Government is poised to cut loose a raft load of high technology firms funded by the Labour Government.

OFFICE STAFF PAID MORE IN WELLINGTON

Firms in Wellington generally pay higher basic salaries to office staff than do those in other centres. This is the conclusion reached from the latest PA Greenwood Salary Survey just released.

The Survey includes 26 of the most common job positions found in offices. In the majority of cases the Wellington salaries exceed the national average and in some cases are as much as 12% higher.

Auckland leads the way in salaries in two areas, Confidential Secretaries and Payroll Clerks and Paymasters.

The Survey does not include salaries paid to government employees.

Further information on the survey is on Page 4 of this issue.

MAXI

puts method into

MAXI PARTS STORAGE & HANDLING

for manufacturing, assembly, maintenance and despatch

LET HAMILTON PERRY INDUSTRIES INTRODUCE YOU TO THE MOST COMPLETE RANGE OF SMALL PARTS STORAGE AND HANDLING EQUIPMENT EVER OFFERED IN NEW ZEALAND! Maxi is an internationally proven way of streamlining production and assembly areas, maintenance and storage departments, workshop and despatch sections. SAVE TIME, SPACE AND MONEY - GET THE MAXI METHOD WORKING FOR YOU!

STRONG PLASTIC BINS in four handy sizes each with a specially designed locking lip. It securely locks onto lowered metal panels.

Bins, holders, racks, trolleys, hooks, shelves and trays - everything works together as a total system for factories, warehouses, garages, vehicles, workshops.

MAXI COMBINED PANELS can be simply or securely added, fixed to walls or free standing. Panels are racks or mounted on heavy duty trolleys for easy movement from one area to another.

LOUVERED PANELLING IS THE BACKBONE OF MAXI VERSATILITY. It is featured in racks, trolleys, wall panels and workshop units. The colour-coded plastic bins (illustrated above) as well as shelving, hooks and clips, all fit firmly into the louvered paneling so even awkward items can be stored above the endless small parts which in the bin. MAXI BINS ARE EASILY REMOVED: LOCK TOGETHER WHEN STACKED ON SHELVES OR THE FLOOR; HAVE RECESSED FINGER HOLDS FOR CONVENIENT LIFTING.

Write or phone for further details from us. Don't hesitate for New Zealand.

Hamilton Perry Industries

Head Office and Factory: Auckland
P.O. Box 850, Victoria Park Road, Auckland
Telephone: 363 1111
Telex: 922222

Wellington: 100-102, Victoria Avenue, Lower Hutt
P.O. Box 400, Lower Hutt
Telephone: 363 1111
Telex: 922222

Dunedin: 100-102, Victoria Avenue, Lower Hutt
P.O. Box 400, Lower Hutt
Telephone: 363 1111
Telex: 922222

Hamilton Perry Industries - the small parts storage system company -

KEY LOCK, SPEEDFRAME, MAXI small parts storage system

SUCCESS IS A WAY TO TRAVEL, NOT A DESTINATION TO ARRIVE AT.

Our first class journey began in 1857. Establishing a tradition of quality that is evident today, in the latest Manhattan Silk de Chine and Silk de Chine Plus collections. Exclusive fabrics carefully, luxuriously tailored, as only Manhattan's designers can construct them.

Silk de Chine Plus, shown (left) classic tone-on-tone motifs, in white, blue and fawn, at \$22.99. And Silk de Chine solids (right) in 10 fresh clean colours at \$19.99. By Manhattan. Fashion-right and first class, all the way.

MADE IN NEW ZEALAND BY MANHATTAN AUSTRALASIA LIMITED

SILK de CHINE: YOUR FIRST CLASS TRAVEL PLAN.

CNG opens escape route out of oil trap and a chance of reaching economic salvation

by Erich Gehringer

IF the analysis in my previous articles is substantially correct, New Zealand stands in desperate need to become self-sufficient in transport fuel within — not after — the next five years.

From a resource, technological and logistic point of view, this is still possible — although the political will and wisdom to do it will probably not be forthcoming.

The neglect and mismanagement of past years drastically narrow our options and make it unnecessary to consider some of the more sophisticated and desirable means by which self-sufficiency could have been achieved. These will have to be deferred or, at best, phased in slowly on the sidelines.

The only resource which could be mobilised with sufficient speed to give us

self-sufficiency by 1985 is compressed natural gas.

We have more than enough natural gas, to cover our transport needs for the next 30 years and bridge the gap separating us from a renewable transport energy base.

Using natural gas in the form of CNG is the only way in which substitution for petrol can be achieved with sufficient rapidity.

CNG does not need the planning and financing of complex industrial projects which take years to complete. But it can be used only where gas is reticulated and this would restrict its adoption, meanwhile, to the North Island.

The South Island, with about one-third of all motor vehicles but probably less than one-third of transport fuel consumption, could be largely supplied with indigenous condensate and LPG which

would become available in greatly increased quantity if CNG is adopted on a large scale.

Even during the short five years available for this exercise, the South Island however, could and should become the probing ground for the more advanced and renewable fuel solutions of the future.

CNG has many advantages, a few inconveniences and only one big disadvantage: the oil companies can't get their hands on it and make a profit out of it.

Once Shell-BP-Todd have taken their cut and it comes out of the pipeline, all you have to do is squeeze it into your car. No oil merchant can squeeze in between — and that, no doubt is why progress has been so slow and desultory.

The advantages of CNG over petrol are so overwhelming that to list them would be to produce startled disbelief.

It is impossible, you would say, that with these advantages any sane planning body could have failed to make CNG their first choice. Where is the snag?

One disadvantage of CNG is a reduced range between refuelling stops. For town driving this is unimportant; on a long-distance drive you may have to stop every two hours (which, in many cases would be a good thing anyhow).

If for some obscure reason this is thought to be intolerable you can simply switch to petrol, since all CNG vehicles, for years to come, will have a dual-fuel system. So this snag is no snag at all.

Because CNG burns with a slower flame than petrol, there is a loss of power of about 15 per cent. This can be an occasional nuisance, which is offset by improved engine performance in other directions. Jonathon P. West summarises these problems:

"Unless the vehicle is under load, and climbing, the power loss is not obvious and does not cause any driver inconvenience. CNG operation eliminates cold starting difficulties and the engine note is definitely sweeter. There is a noticeable improvement and smoothness in accelerating from a standing position, although the acceleration time is longer."

Initially, CNG vehicle drivers were dissatisfied with these matters, and particularly with the reduced vehicle range and the consequent need to refuel more frequently than was required with petrol vehicles. However, this initial resistance has dissipated as drivers have become used to the system. Whilst refuelling is a regular occurrence, the refuelling process is ridiculously simple, and takes no more than a couple of minutes.

Contrasted with the dire consequences of continued dependence on imported petrol and the great economic and other advantages to be derived from the adoption of CNG (amounting to no less than the difference between prosperity and bankruptcy) — these so-called snags and disadvantages are insignificant. In the context of our national fuel crisis, they are frivolous.

*Goals & Guidelines: Proceedings of seminar on transport fuel for NZ, Ministry of Energy, 1978.

The real stumbling block, as they will tell you, is the cost of converting our cars to CNG (quoted at about \$1000 per vehicle).

If we expect the owner of every clapped-out buggy to stump up a thousand bucks only to find that there isn't anywhere to fill her up with CNG, then we are expecting too much. But this situation entirely the making of an obstructive and foolish Government.

First, the so-called cost of \$1000 is made up to more than half by import and sales tax. Abolish these disincentives and you need the money, plus equivalent amount on petrol (vehicles) and your conversion costs only \$500.

Second, there are no conversion costs when you buy your dual-fuel car new from abroad. And since we import 60,000 new cars every year, why should the Government have to do so to see that most of our cars imported over the next few years have the (M) fittings.

This can be done through licensing or through differential import duties on both.

Third, if it is in the national interest to spend more than \$1 billion on Marsden, Mah and Albertas, then there is no reason why the Government should not pay for the conversion to CNG of private cars.

The 25 per cent subsidy which the Government pays now to commercial fleets which convert to CNG is inadequate if rapid progress towards self-sufficiency is to be achieved.

We need 100 per cent subsidy for private cars.

Since we are already committed to a costly and sophisticated synthetic petrol scheme to cover one-third of petrol use and another one-third of use in the South Island and

the east coast up to Gisborne. If these plans are on time, and they should have first priority, points at which natural gas can be compressed will be available all over the North Island by 1982.

Compressor units are sold by a number of countries (Britain, Japan, Italy). If contracts were placed now, they could be delivered and waiting at their points of installation well before the end of this year.

Cost? One thousand points of distribution would make lavish provision for the North Island. The large compressors and holding tanks needed for these points would cost, at a generous estimate, \$100,000 each, adding a maximum of a mere \$100 million for the complete distribution system.

In foreign exchange savings, the whole \$350 million for conversion and distribution would be recovered in less than three years and in real savings on the difference in the price of CNG and petrol in less than four years. There are no financial snags.

From an investment point of view, the CNG option is the least risky, the most rewarding and beats any other options. It has been neglected because of the constitutional mental block of bureaucracy against decentralised solutions and the strong influence on Government thinking of the vested oil interests.

Ordering and obtaining the compression units is the first step. Next come negotiations with service stations and other suitable agencies.

These will be considerably facilitated by the fact that the Government will foot all the bills. But suitable service contracts will have to be negotiated in exchange for a long-term guarantee of a stable CNG price.

There is no reason why, for the next 10 years, this could not be around one-third of the present price of petrol.

The actual installation of 1000 compressors over the next five years (four a week) should hardly strain our collective technical capacity.

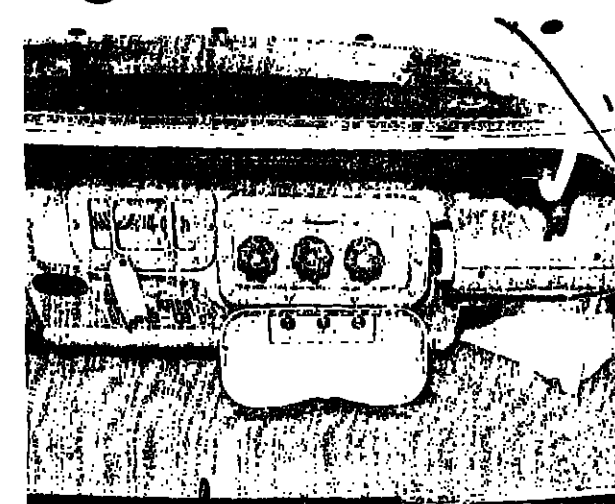
Some logistic problems might be expected with the conversion of 100,000 vehicles a year.

While the hooking up of the conversion units is not a very

complicated job, some national co-ordination and standardisation of procedure probably will be necessary.

The total of 100,000, of course, can be significantly reduced by seeing that the majority of imported new cars have the dual-fuel system.

Even if only 250,000 such cars are imported a year, and reckoning 250 working days to a year the quota of conversions each working day would be only 300. That should not be too much for the work force



Conversion to CNG... oil merchants grip is eased open

Summary

WHILE the big industrial nations have a total energy problem, New Zealand has only a transport fuel problem.

This was quite clear from 1973 onwards, but New Zealand Governments wasted more than \$1 billion on unnecessary electricity projects and did nothing towards solving our dependence on imported transport fuel.

During these years the mounting oil bill was largely paid for by borrowing from abroad.

The Government is now changing this policy to one of finding money for the oil bill through foreign investment — that is, through selling of New Zealand resource, New Zealand independence and New Zealand products.

Unless we reduce the real size of our oil bill, this policy will have as little economic benefit to New Zealand as the previous policy of borrowing money.

The energy plan of the present Government, even if fully implemented on time, will leave us with a bigger real oil bill in 1985 than we have now.

By 1985, however, it will be too late to prevent the disastrous political and economic effects of this continued dependency on imported oil.

The rapid conversion of our motor vehicle fleet to the use of CNG is a practical, cheap and technologically easy means of rectifying this dangerous position.

The only thing which stands in the way of this solution is the stupidity of our energy planners and, more particularly, the fact that much of our energy planning to all intents and purposes, has been handed over to the oil companies whose self-interest prevents them from supporting solutions which will lead to rapid self-sufficiency.

Complicated job, some national co-ordination and standardisation of procedure probably will be necessary.

Even if only half that work force were to be eligible they would be required to do no more than one conversion per worker every three weeks.

If necessary, one could relax warrant of fitness requirements for the next few years

to free some labour for the job of conversion.

Thus, without commercial risks, emergency powers, planning tribunals, and all the other rubbish which clutters up the minds of our planners, we could achieve twice the amount of substitution in half the time at half the cost with twice the profit — a 16-fold increase in planning efficiency.

Surely, it is easier and better to convert and import 500 cars per working day to CNG and thus top \$2 million off our fuel bill with every week that passes than to sit for five years biting our nails and wondering whether anybody will buy our methanol or whether the Mobil process will turn out all right.

I am not some kind of CNG freak. If rational energy policies had prevailed after 1973, the use of CNG as a transport fuel would have played only a modest role.

Electrification, modernisation and extension of the railways to take care of long-distance haulage; relocation of jobs and revitalisation of city centres to get rid of commuterism; electrification of town transport; small-scale energy farming — these and similar projects would have been much more worthwhile and could by now be sufficiently advanced to make the use of CNG of comparatively little importance.

The inertia and foolishness of Governments, however, has deprived us of these opportunities to tackle the transport fuel problem at its roots.

With time running out, CNG remains the only trump card in our hands which can be played in time to save New Zealand from certain disaster and preserve a New Zealand way of life.

There are intrinsic advantages of CNG which, even without the financial and planning factors, would incline reasonable people to its adoption.

CNG is a much more efficient fuel than either petrol or methanol. Being a gas, it burns completely. This confers on it a 10 to 50 per cent energy advantage over petrol. Because it burns cleanly and completely, it saves wear and tear on engines and spark plugs and there is a significant reduction in the use of oil with CNG-driven cars.

Pollution of the atmosphere from CNG vehicles is reduced to negligible proportions, compared with petrol-driven cars.

This switching over to the use of CNG confers the addition bonus of getting rid of the atmosphere pollution from motor cars which is becoming an increasingly serious problem, particularly in our cities.

CNG is safe. Its toxicity is much lower than that of methanol or petrol and because it is lighter than air dangerous accumulations do not occur.

It is much less inflammable and/or explosive than either petrol or methanol or LPG.

In addition to being cheap, indigenous and readily available without the intervention of middle men or technological processes, CNG therefore would give us greater efficiency, freedom from pollution, safety and considerable saving on the maintenance and replacement of cars.

CNG could get us out of the oil trap in no time at all and turn our economy around towards recovery in a way in which nothing else could — not even a major oil strike.

But there is nothing the people of New Zealand can do to adopt CNG. Unless the Government agrees to spend the \$100 million on putting in points of distribution, CNG will remain inaccessible to the ordinary motorist — even if he were willing to spend \$1000 on the conversion of his car.

And so, we are drifting helplessly and more rapidly with every passing day towards the not-too-distant point of no return when our chance to escape the dreary fate which awaits oil dependent nations will have vanished for ever.

IBM IBM New Zealand Limited

26 May 1980

WORD PROCESSING BRIEFING

ENDS AND MEANS: When you come to evaluate the potential benefits of Word Processing in your business or your organisation, it will be best for you to distinguish between ends and means.

The rate at which office technology is developing is unbelievable, even to people working close to it. Equipment which is the very latest thing today may well be overtaken by more powerful and more economical equipment a year or two from now. So, how can you, on the one hand, get the maximum benefits from WP technology but on the other, protect yourself from equipment obsolescence? There are three ways:

1. Keep firmly in mind that Word Processing is the means whereby people and equipment are brought into a fruitful partnership. If you start with the assumption that WP focusses exclusively on machines — however clever they are — you will be forever wedded to technology as the "be-all-and-end-all".

Try this questionnaire:

- (a) **GOALS** — what are my goals? Cost avoidance? Service to authors? Service to clients?

Rule 1 is "Goals must be identified and (where possible) quantified".

- (b) **STRATEGIES** — how am I to achieve my goals? Total centralisation of WP facilities? Limited centralisation? No text-editing equipment at all — just golf-ball typewriters and smoother workflow procedures?

Rule 2 is "Strategies must be goal-oriented".

- (c) **IMPLEMENTATION** — what are the practicalities of putting into effect the strategies? Cash flow? Building alterations? Staff training? Equipment Selection?

Rule 3 is "Plan the implementation".

- (d) **CONTROL** — how will I know that I am achieving — and will continue to achieve — my goals? Sample author attitudes? Cost-analysis of the entire secretarial structure?

Rule 4 is "Never let a system free-wheel".

2. Plan the obsolescence of the equipment yourself. You know it will happen, so anticipate it. IBM's Word Processing equipment is available on outright purchase or on IBM's Installment Payment Plan, or on 2 or 3 year leases or on short-term rental. This allows you to plan, months ahead of time, graduation to more advanced equipment as it comes along. This is part of the CONTROL function mentioned above.
3. Never assume that "Now I've got Word Processing I can sit back and forget about it". You can't — and you don't manage other resources this way. Detail someone in your organisation to keep up to date with the WP industry and to keep in constant dialogue with your WP vendor — and other vendors too.

IBM will help you in all of the above and, by the way, we sell a superior range of equipment suitable for Word Processing. As if you didn't already know!

Kind Regards

Noel Cheer
Market Support Specialist

Auckland, Phone 778-910.
Hamilton, Phone 82-359.
Wellington, Phone 729-499.
Christchurch, Phone 792-840.
Dunedin, Phone 740-582.

52 cents buys you National Business Review

(or one cup of coffee and a very small sandwich)

■ The National Business Review subscription costs just 52 cents a week... a very small price to pay for often invaluable news, analysis and comment on the fast-changing New Zealand scene delivered on Mondays 48 weeks of the year. National Business Review keeps close tabs on the fast-changing New Zealand political, economic and business landscape and an equally close watch on the information requirements of its readers.

■ News-stand price for National Business Review (\$36.00) and companion publication NBR Outlook (the twice-yearly special devoted to detailed analysis of important national issues) is \$39.00. Subscribe now for just \$25.00 — and save 35 per cent.

■ National Business Review / NBR Outlook cover price \$39.00... subscription price \$25.00.

■ To take advantage of the NBR subscription offer, simply fill in the Fourth Estate Subscription Service coupon elsewhere in this issue.

hille — **nobody does it better.**

zip Commercial Interiors

A DIVISION OF ZIP HOLDINGS LTD.

14018

14018

414 Te Rapa Rd.
P.O. Box 10-261
HAMILTON
Tel: 492-618

77 Thorndon Quay
P.O. Box 845
WELLINGTON
Tel: 725-771

39 Manchester St.
P.O. Box 418
CHRISTCHURCH
Tel: 65-937

292 Kaitiaki Valley Rd.
P.O. Box 242
DUNEDIN
Tel: 36-084

RICHARDSON-MERRELL LTD.

Distribution Contract Required

Richardson-Merrell Limited, an International Pharmaceutical Company, wishes to establish a national distribution system to food and pharmacy outlets based on warehouse facilities in Auckland, Wellington and Christchurch. Storage requirements would be 5,000 square feet Auckland, 3,000 square feet Wellington and Christchurch. Companies currently distributing to Food/Pharmacy outlets interested in contractual arrangements should reply to:-

Richardson-Merrell Limited,
P.O. Box 5861,
Telephone: 33-829,
Auckland.
Attention: Mr. A.W. Thomas.